MANAGEMENT DISCUSSION AND ANALYSIS
For the Year ended April 30, 2014

This Management Discussion and Analysis ("MD&A") of Golden Reign Resources Ltd. (the "Company" or "Golden Reign") provides analysis of the Company's financial results for the year ended April 30, 2014 and should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto for the year ended April 30, 2014, which are available on SEDAR at www.sedar.com. This MD&A is current as at August 25, 2014, the date of preparation.

The April 30, 2014 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Statements
Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements.

GRR Strategy – transition from explorer to emerging producer

Golden Reign's objective is to become a small but high-margin producer capable of self-funding brownfields exploration on its highly prospective Nicaraguan properties, which cover 138 square kilometres in northern Nicaragua.

The Company is advancing its San Albino Gold Deposit open-pit oxide zone to production on an expedited basis via a small, low impact operation that will offer the opportunity to self-fund exploration and growth through cash flow. In July 2014, the Company completed a US$15.0 million gold streaming arrangement that covers solely the San Albino Gold Deposit, a 3.5 square kilometre area (the "Marlin AOI") within the Company's highly prospective 138 square kilometre landholdings.

Located at the southern end of a 20 kilometre long mineralized trend outlined and defined by Golden Reign as the Corona de Oro Gold Belt, the San Albino Gold Deposit is the first of the five areas slated for development by the Company. The remaining four areas, all of which lie outside of the Marlin AOI, are characterized by similar mineralogy, grades and thicknesses as those outlined at San Albino, and offer potential for future open-pit development. All are located within an 8 square kilometre area in the Southern District, which hosts the San Albino Gold Deposit and prospective Las Conchitas area. Situated just 1 kilometre south of the San Albino Deposit, the Las Conchitas project offers potential of expanding open-pittable resources.

San Albino Gold Deposit - Moving towards production with a US$ 15.0 Million Gold Streaming Arrangement

On February 26, 2014, the Company announced that it entered into a binding Letter of Intent with Marlin Gold Mining Ltd. ("Marlin") for a US$15.0 million gold streaming arrangement at its San Albino Gold Deposit and surrounding area, comprising a total 3.5 square kilometres. Under the arrangement, Marlin's wholly-owned subsidiary, Sailfish Royalty Corp. ("Sailfish") will be entitled to purchase 40% of gold production from the San Albino Gold Deposit at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, until Sailfish recovers US$19.6 million. During this period, the Company will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. Thereafter, Sailfish will be entitled to purchase 20% of gold production at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production plus 50% of the price differential above US$1,200 per troy ounce subject to certain adjustments. Prior to commercial production, Sailfish will be entitled to receive an 8% semi-annual coupon payment from the Company.

Sonoran Resources, LLC ("Sonoran") will be the nominated engineering, procurement and construction management ("EPCM") firm that will be responsible for permitting and building the San Albino project. Marlin and the Company shall jointly oversee Sonoran's activities. Sonoran has the management expertise and significant technical experience required to advance small scale assets to the production level. Throughout the America's their experience to date profile examples of cost effective, efficient and environmentally friendly operations. Sonoran is one of the few engineering firms that have senior engineers with direct operating experience in Nicaragua.

The transaction was closed on July 10, 2014, subject to the completion of certain due diligence items and filing of required documentation with various Nicaraguan regulatory authorities.

Upon closing of the transaction, John Brownlie (CEO and Director of Marlin) and Akiba Leisman (Director of Marlin) were each appointed to the Board of Directors of the Company.

Concurrent with the closing of the transaction, Marlin took an 18.51% interest in the Company by purchasing 21.3 million common shares for approximately $3.2 million, subject to regulatory approvals.

Kim Evans, President and Chief Executive Officer of Golden Reign, commented: *"We are extremely pleased to announce the closing of the Gold Streaming Arrangement with Marlin. Marlin shares our vision for the continued advancement of our high-grade San Albino gold asset in Nicaragua. The Company anticipates that, once operations are successfully established, cash flows will enable it to advance exploration targets at Las Conchitas, Murra and the El Jicaro Concession, concurrently adding significant value to the Company while minimizing dilution to our shareholders. We look forward to transitioning from an explorer to producer."*

San Albino Gold Deposit Conceptual Starter Pit

Golden Reign has the potential to advance its San Albino Gold Deposit to near-term production by developing part of its high-grade deposit as a starter pit. The resources in the conceptual open-pit start at surface and extend to a maximum depth of 100 metres, closely following topography. A low strip ratio is anticipated which should result in quick cash generation.

The conceptual starter pit is being designed for low environmental impact. It should provide an opportunity for Golden Reign to self-fund continued exploration and growth through cash-flow. The schedule for development depends upon completion of steps currently underway, including further detailed mine planning. As Golden Reign does not currently intend to complete a feasibility study prior to potentially commencing production at the San Albino Gold Deposit, there may be increased risk of failure. Significant engineering work has been completed to date, including a scoping study. An NI 43-101 compliant Preliminary Economic Assessment is being prepared and anticipated to be complete by the end of 2014.

The table below provides a breakdown of open-pit tonnages and resources by category for the In-Pit Resources.

Table 1. San Albino Gold Deposit – In-Pit Resources

Zone	Classification	Cut-off grade (g/t)	Tonnes	Au (g/t)	Au Ounces	Ag (g/t)	Ag Ounces	Au Eq (g/t)	AuEq Ounces
Oxide	Indicated	0.23	750,000	5.70	137,500	9.9	239,000	5.81	140,200
	Inferred	0.23	750,000	5.01	120,900	7.7	185,000	5.10	123,000
Fresh	Indicated	0.50	44,000	10.51	15,000	14.6	21,000	10.73	15,300
	Inferred	0.50	286,000	8.07	74,300	8.6	79,000	8.20	75,500
Total	**Indicated**		**794,000**	**5.97**	**152,500**	**10.2**	**260,000**	**6.09**	**155,500**
	Inferred		**1,036,000**	**5.86**	**195,200**	**7.9**	**264,000**	**5.96**	**198,500**

Updated Mineral Resource Estimate- July 2014

In July 2014, the Company announced a 67% increase in indicated mineral resources and 8.5% rise in inferred resources at the San Albino Gold Deposit. The resource estimate was prepared by P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario, and updates the previous resource estimate prepared by P&E in November 2012.

Resource Estimate Highlights:

- a 67% increase in Indicated resources, from an initial 95,000 gold equivalent ("AuEq") ounces to 158,800 AuEq ounces at 5.97 g/t contained in 827,000 tonnes
- a 8.5% increase in Inferred resources, from 805,000 AuEq ounces to 873,300 AuEq ounces at 7.97 g/t contained in 3,410,000 tonnes
- new El Jobo mineralized zone identified and included in open-pittable resources

- the San Albino Gold Deposit is near-surface, within 300 metres vertical depth, and remains open along strike in both directions and at depth

Table 2. San Albino Gold Deposit - Total Resources

Zone	Classification	Tonnes	Au (g/t)	Au ounces	Ag (g/t)	Ag ounces	AuEq (g/t)	AuEq Ounces
Oxide	Indicated	764,000	5.64	138,600	9.8	241,000	5.75	141,300
	Inferred	857,000	4.72	130,100	7.5	208,000	4.81	132,500
Fresh	Indicated	63,000	8.50	17,200	11.7	24,000	8.67	17,500
	Inferred	2,553,000	8.83	724,900	12.9	1,061,000	9.02	740,800
Total	**Indicated**	**827,000**	**5.86**	**155,800**	**10.0**	**265,000**	**5.97**	**158,800**
	Inferred	**3,410,000**	**7.80**	**855,000**	**11.6**	**1,269,000**	**7.97**	**873,300**

Mineral Resource Estimate Notes and Parameters:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves;
2. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although the Company is not aware of any such issues;
3. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
4. Gold Equivalent was calculated on the basis of 1 gram gold = 64 grams silver

The 2014 mineral resource estimate update categorizes resources as either In-Pit (open-pittable) and Out-of-Pit (underground).

The Company's 2013 exploration program at the San Albino Gold Deposit was designed to de-risk the project by upgrading the quality of the In-Pit resource through additional infill and step-out drilling, and trenching. In all, a further 6,160.5 metres were cored in 73 drill holes, including 236.9 metres across 12 drill holes utilized for metallurgical test work. Trenching comprised 24 trenches, 28 exploration pits and 4 road cuts across 3,945.0 metres.

The program was successful, increasing Indicated resources by 113% from 70,000 AuEq ounces to 155,500 AuEq ounces grading 6.09 g/t (as shown in Table 1 above).

Drilling and trenching were focused on the extensions of near-surface, shallow-dipping, high grade open-pittable mineralized zones situated within 100 metres vertical depth. This resulted in the discovery of a new zone, El Jobo, which lies at surface, structurally above the San Albino zone. There is virtually no waste stripping anticipated for mining of the El Jobo zone.

Four mineralized zones – El Jobo, San Albino, Naranjo and Arras – comprise the open-pittable resources which are characterized as either oxide or fresh rock. The In-Pit oxide zone has a 0.23 g/t AuEq cut-off grade. The mining costs for this zone are anticipated to be significantly lower, as drilling and blasting will not be required and the strip ratio is expected to be low. Notably, the lower cut-off grade for the oxide zone did not significantly increase the total gold content due to the well constrained block model (see Resource Estimate Sensitivities tables on website). The fresh rock zone has an AuEq cut-off grade of 0.5 g/t.

The open pit resource model was designed using a Whittle pit optimization model to ensure application of a reasonable stripping ratio and economic assumptions.

Table 2. San Albino Gold Deposit - Out-of-Pit Resources

Zone	Classification	Cut-off grade (g/t)	Tonnes	Au (g/t)	Au Ounces	Ag (g/t)	Ag Ounces	Au Eq (g/t)	AuEq Ounces
Oxide	Indicated	1.5	14,000	2.43	1,100	5.1	2,000	2.49	1,100
	Inferred	1.5	107,000	2.69	9,300	6.5	22,000	2.77	9,500
Fresh	Indicated	1.5	19,000	3.72	2,200	5.0	3,000	3.79	2,300
	Inferred	1.5	2,267,000	8.93	650,600	13.5	982,000	9.13	665,200
Total	**Indicated**		**33,000**	**3.17**	**3,300**	**5.0**	**5,000**	**3.24**	**3,400**
	Inferred		**2,374,000**	**8.65**	**659,900**	**13.2**	**1,004,000**	**8.84**	**674,700**

The San Albino resource model now consists of four shallow dipping, high grade, and narrow vein systems over a strike length of 670 metres, down dip extension of 905 metres, with a minimum true width of one metre and average true width of 2.6 metres. Gold grade capping varied from no capping to 85 g/t depending on the vein system. All silver assays were capped at 90 g/t. Inverse distance cubed grade interpolation was on 2m x 2m x 6m blocks utilizing Gemcom modeling software. 223 drill holes and 92 trenches at the San Albino Gold Deposit were utilized in the resource estimate calculation.

The updated mineral resource estimate for the San Albino Gold Deposit was prepared by P&E in accordance with the Canadian Securities Administrators ("CSA") National Instrument 43-101 ("NI 43-101") and resources have been estimated using the Canadian institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

The San Albino Gold Deposit is envisaged by the Company as the first of potentially several similar sized deposits to be outlined on the property.

The remainder of the San Albino-Murra property, along with El Jicaro Concession, offers exploration potential. Hundreds of historical workings and showings – including mines, mine dumps and adits dating back to the Spanish explorers in the late 1700's - have been located, sampled and merit additional review.

Current operations

San Albino Gold Deposit

The independent NI 43-101 compliant technical report on the Company's initial resource, the San Albino Gold Deposit, was completed by P&E and filed in early January, 2013, marking a major milestone for the Company. An update of the mineral resources estimate followed in July 2014.

In-line with the Company's prime objective of adding resources – in particular, open-pittable resources – further trenching and drilling activities were undertaken in early 2013. Excavation of an additional 8 trenches has more than doubled the surface exposure of the San Albino Zone from 350 to 750 metres. The San Albino Zone is one of four zones comprising the Company's NI 43-101 compliant resource estimate.

Highlights from 2013 trenching include:

- SA13-TR-12 13.50 g/t gold and 8.3 g/t silver over 2.0 metres
  and 8.51 g/t gold and 7.2 g/t silver over 2.0 metres
- SA13-TR-13 13.38 g/t gold and 39.7 g/t silver over 10.0 metres
  and 22.20 g/t gold and 66.4 g/t silver over 2.0 metres
  and 14.02 g/t gold and 50.3 g/t silver over 2.8 metres
  and 23.72 g/t gold and 65.0 g/t silver over 3.0 metres
  and 19.53 g/t gold and 45.7 g/t silver over 3.0 metres
  and 7.74 g/t gold and 8.2 g/t silver over 1.25 metres
- SA13-TR-15 2.27 g/t gold and 1.6 g/t silver over 2.0 metres
- SA13-TR-16 3.49 g/t gold and 6.9 g/t silver over 3.6 metres

and 4.03 g/t gold and 20.6 g/t silver over 3.3 metres
and 2.97 g/t gold and 3.5 g/t silver over 4.0 metres

When trenching SA13-TR-13, the Company encountered a robust vein structure that returned very strong assay results. Situated in very close proximity to trench SA13-TR-13 is drill hole AR11-12. The discovery of the vein structure in SA13-TR-13 led the Company to test the upper portion of drill hole AR11-12, never previously assayed. Mineralization started at surface and continued to 8 metres depth, averaging 22.74 g/t gold and 63.4 g/t silver. The upper portions of certain other 2011 drill holes were similarly re-sampled.

Golden Reign excavated exploration pits at 4 of the 8 trenches to further expose the dip and true thickness of the vein. Results include the following:

Highlights from 2013 exploration pits include:

- SA13-TR-11 9.27 g/t gold and 12.9 g/t silver over 3.0 metres
  and 6.45 g/t gold and 11.4 g/t silver over 1.5 metres
  and 13.94 g/t gold and 18.9 g/t silver over 1.8 metres
  and 7.21 g/t gold and 14.7 g/t silver over 1.8 metres
  and 9.40 g/t gold and 22.5 g/t silver over 2.0 metres
- SA13-TR-13 20.40 g/t gold and 38.2 g/t silver over 3.0 metres
  and 9.61 g/t gold and 42.3 g/t silver over 4.0 metres
  and 36.44 g/t gold and 111.0 g/t silver over 2.0 metres
  and 7.56 g/t gold and 13.9 g/t silver over 2.0 metres
  and 7.55 g/t gold and 10.0 g/t silver over 2.0 metres
  and 4.41 g/t gold and 13.0 g/t silver over 2.0 metres
  and 9.01 g/t gold and 30.4 g/t silver over 2.0 metres
- SA13-TR-14 24.03 g/t gold and 34.6 g/t silver over 1.8 metres
- SA13-TR-16 46.38 g/t gold and 65.5 g/t silver over 2.0 metres
  and 10.52 g/t gold and 49.1 g/t silver over 1.1 metres

San Albino Deposit metallurgical test work very positive

In mid-May 2013, the Company announced the results of its initial metallurgical test work, performed by Inspectorate Exploration & Mining Services Ltd. ("Inspectorate"), of Richmond, British Columbia, on material from the San Albino Gold Deposit. Testing highlights are:

- extremely high gravity recoveries of 80.2 to 84.4% gold were achieved on composite samples A through C at a grind target P_{80} of 100 microns, indicating the presence of significant amounts of coarse gold amenable to gravity concentration
- strong gold recoveries from sulphide flotation on all composite samples ranged between 76.6 to 85.5% at a grind target of P_{80} of 75 microns after 8 minutes of flotation
- the combination of gravity and flotation recovery methods is expected to produce high overall gold recoveries

Additional metallurgical testing - sequential (full stream) testing - of composites to develop an optimum flow sheet for the mineralization was completed in June 2013. Inspectorate designed a test to obtain the best possible combined recovery rates using gravity and flotation conditions to optimize recovery from both oxidized and non-oxidized mineralization. Highlights include:

- sequential gravity-flotation tests produced high overall recoveries of 96.4% gold and 92.6% silver
- testing demonstrates high gold and silver recoveries achievable without use of cyanide leaching
- the combination of gravity and flotation processing complement each other well, with flotation recovering finer gold particles not recovered via gravity methods
- sequential gravity-flotation testing resulted in optimum recoveries from both oxidized and non-oxidized mineralization

In March 2014, the Company received the final metallurgical report from Inspectorate on its second stage of metallurgical testing which focused solely on the oxide (weathered) portion of the San Albino Deposit - in preparation for designing a concentrator mill flow sheet prior to construction of a mill and open pit mine.

Four composite samples, representing low and high grade mineralization, were tested for gold recovery using centrifugal gravity concentration followed by cyanide leaching using the CIL process.

The combined gravity and cyanide leach tests yielded total gold recoveries in the range of ***91.0 to 93.5%***, with the exception of only one sample, AR-01, which returned a combined gold recovery of 82.9%. Combined silver recoveries were in the range of 42.7 to 68.0% for all four composites.

Simple gravity concentration tests returned excellent gold recoveries in the range of 47.1% to 56.9% in all four composites. Interestingly, these are lower than the gravity recoveries from the sulphide zone obtained in the first round of metallurgical testing.

The gravity concentrates were leached by cyanide solution for 72 hours using a carbon-in-pulp leach (CIL) test. All of the composite samples responded similarly to CIL leaching, with gold leach extractions ranging from 83.0 to 85.6%, with the exception again of composite AR-01, which yielded 67.3% gold extraction.

One sample of gravity tails was subject to a CIL test over a reduced time period of only 24 hours. There was an insignificant effect on gold and silver recoveries; however, the shorter period of leaching resulted in significantly reduced cyanide consumption (61% less).

Las Conchitas

Golden Reign is aiming to add potentially open-pittable resources at Las Conchitas, located approximately 1.0 kilometre to the south of the San Albino Gold Deposit.

The Las Conchitas project hosts four prospective areas of high-grade, near-surface mineralization over an area of 2.5 square kilometres. All four zones remain open in both directions and at depth. Golden Reign anticipates that it will be able to extend quite significantly all mineralized zones.

The Intermediate Area is one of four near-surface, high-grade mineralized zones outlined by trenching. It has a current strike length of approximately 1.0 kilometre, remaining open along strike in both directions and down-dip. A comprehensive trenching program consisting of 13 trenches across 417 metres was completed in 2011. Highly-mineralized intercepts, as previously reported, in trenches INT11-TR-01 through INT11-TR-04 were targeted for drilling in July 2013. Highlights from drilling include:

- INT13-01 2.5 metres averaging 15.69 g/t gold and 15.5 g/t silver
- INT13-02 3.0 metres averaging 3.39 g/t gold and 10.3 g/t silver
- INT13-03 21.3 metres averaging 7.20 g/t gold and 14.2 g/t silver
  including 5.0 metres averaging 28.45 g/t gold and 53.7 g/t silver

These true-width mineralized intersections are within approximately 55 metres vertical depth from surface.

BUSINESS OVERVIEW

Golden Reign Resources Ltd. is listed on the TSX Venture Exchange ("TSX-V") under the symbol "GRR".

Since June 2009, Golden Reign has been focused on its operations in Nicaragua. Golden Reign has a 138 square-kilometre land package, comprising its flagship San Albino-Murra Property and the El Jicaro Concession.

San Albino-Murra Property, Nicaragua

The San Albino-Murra Property meets the key criteria identified by management for prospective projects:

- it is an advanced exploration project, with historical workings and production;
- has a pipeline of additional attractive targets at various stages of exploration;
- it is located in a politically stable environment;
- existing infrastructure includes access roads, water, power and readily available timber;
- it has an all-year exploration/development season; and
- the acquisition cost, including share dilution, was reasonable.

The 8,700 hectare San Albino-Murra Property, held under a 25 year mining license expiring February 3, 2027, has a long history of exploration and mining. There are several old mines and workings within the property boundaries. The San Albino mine, a historical small-scale gold producer, commenced production in the early 1920's and operated on and off until approximately 1940, reportedly processing 10 tons per day of 1 oz/t gold material.

Pursuant to the terms of the agreement, the Company made aggregate cash payments of US$450,000, incurred aggregate exploration expenditures of US$5,000,000 on the Property and issued a total of 4,000,000 common shares from its treasury to earn its 80% interest in the Property. The Company has entered into an agreement (the "Agreement") to purchase the remaining 20% interest in the Property by making cash payments totaling US$650,000 and issuing 2,100,000 common shares from its treasury over a period of 12 months, as follows:

i) the payment of US$100,000 upon signing of the Agreement on October 23, 2012 (the "Acceptance Date");
ii) the payment of US$137,500 on or before each three month anniversary from the Acceptance Date over a period of twelve months, for an aggregate of US$550,000 (paid); and
iii) the issuance of a total of 2,100,000 common shares, to be issued in four equal installment of 525,000 common shares on or before each three month anniversary from the Acceptance Date over a period of twelve months (issued at a value of $613,770).

There is no Net Smelter Return ("NSR") other than that payable to the Nicaraguan government pursuant to existing mining laws.

El Jicaro Concession, Nicaragua

In early February 2012, the Company announced the acquisition of the El Jicaro Concession (the "Concession") at a cost of US$120,000 (CAD$119,472). The Concession license, valid for a period of twenty-five years until September 28, 2033, was acquired from a third party, individual Nicaraguan title holder.

The El Jicaro Concession encompasses the southwest extension of the mineralized structures identified on the San Albino-Murra Property. The Concession covers an area of 5,071 hectares (51 km^2), nearly doubling the Company's current land package to an aggregate 13,771 hectares (138 km^2). Several good exploration targets have been outlined on the property. Mapping and prospecting program completed to date have defined four parallel zones of mineralization. Further work is planned.

Nicaragua

Although it boasts a long history of gold production, Nicaragua is under-explored – but is attracting international interest. A democratic republic since 1996, Nicaragua has a modern mining law, fair tax regime and strong foreign investment law. Bordered by Honduras to the north and Costa Rica to the south, it is easily accessible and has skilled, available labour.

Exploration and Evaluation Assets

	April 30, 2014	April 30, 2013
Acquisition Costs	$ 4,620,672	$ 3,750,707
Deferred Exploration Costs	18,989,267	14,300,322
	$ 23,609,939	**$ 18,051,029**

For a comprehensive breakdown of exploration and evaluation costs by property, please refer to Note 7 of the audited consolidated financial statements for the year ended April 30, 2014.

RESULTS OF OPERATIONS

Selected Annual Information

Fiscal Year	2014	2013	2012
Net Sales	Nil	Nil	Nil
Net Loss	$ 936,198	$ 1,465,554	$ 1,848,096
Comprehensive (Gain) Loss	$ (775,744)	$ 1,568,547	$ 1,802,517
Basic and diluted loss per share	$ 0.01	$ 0.02	$ 0.03
Total Assets	$ 24,056,983	$ 19,296,608	$ 14,682,822
Total Long-term liabilities	Nil	Nil	Nil
Cash dividends per share, common	N/A	N/A	N/A

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

The Company's recorded loss for the financial years ended April 30, 2014, 2013, and 2012 is comprised mainly of general and administrative expenses. The reported net loss for 2014, 2013, and 2012 includes share-based compensation expense of $ 146,075, $589,024 and $1,100,133, respectively.

Summary of Quarterly Results

Selected financial information for each of the eight most recently completed quarters are as follows:

	2014				2013			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss) gain	$(138,366)	$(131,758)	$(221,802)	$(289,272)	$(71,805)	$(421,450)	$(763,549)	$(208,750)
Comprehensive (loss)gain	$(893,288)	$1,837,889	$(209,154)	$40,297	$(450,467)	$(214,184)	$(911,275)	$7,379
Basic and diluted loss per share	($0.01)	$0.00	$0.00	$0.00	($0.02)	($0.01)	($0.01)	($0.00)

Three Months ended April 30, 2014

The Company reported a net loss of $138,366 for the three-month period ended April 30, 2014, as compared to a net loss of $71,805 for the same period in the prior fiscal year. The difference is primarily attributable to the capitalization of $114,850 of depreciation to exploration and evaluation assets during 2013.

General and administrative expenses for the three months ended April 30, 2014 totaled $138,366 (2013 – 207,135) including a foreign exchange loss of $466 (2013 – loss of $759). Share-based compensation expense was $Nil (2013 - $3,808).

Wages and benefits rose slightly in 2014 to $87,699 (2013 - $82,487).

Office and miscellaneous expenses decreased by $5,420 to $23,668 (2013 - $29,088) and included: bank charges of $602; courier costs of $94; office expenses of $2,215, office rent of $13,338; telecommunications of $2,418; office insurance of $538; commercial liability insurance of $1,462; and directors' and officers' insurance of $3,000.

Expenditure on travel and promotion totaled $2,001 (2013 - $41,597). Costs paid included meals and entertainment of $1,194, email and newswire services of $527 and website creation/maintenance costs of $280. In the prior year, costs included attendance at the 2013 PDAC conference, marketing trips and AGM expenses.

Professional fees of $16,408 (2013 - $41,539) consisted of audit fees and accruals of $15,000 (2013 - $35,500) and legal fees of $1,408.

Regulatory and listing fees for the quarter were $7,350 (2013 - $12,026). Included in this amount were payments made to the TSX Venture Exchange for the Company's 2014 annual sustaining fees of $6,200 and. transfer agency service expenses of $1,150.

As the Company is an exploration stage company and does not generate any cash flow, it has no income other than interest income. The Company relies on equity financings for its working capital requirements and to fund its planned exploration activities. Interest income for the three months ended April 30, 2014 was $Nil (2013 - $3,480). The decrease over the same period of the prior year being attributable to fewer funds held on account.

Year ended April 30, 2014

The Company reported a net loss of $781,198 for the year ended April 30, 2014, as compared to a net loss of $1,465,554 for the prior fiscal year.

General and administrative expenses for the year ended April 30, 2014 totaled $784,960 (2013 – $1,351,532) including a foreign exchange loss of $12 (2013 –$759). Share-based compensation expense was $146,075 (2013 - $3,808).

Wages and benefits were $382,627 (2013 - $223,054) and management fees were $Nil (2013 - $59,500). Consulting fees totaled $Nil (2013 - $61,500). Effective December 2012, the Company records the compensation of its officers as wages, rather than management or consulting fees.

Office and miscellaneous expenses totaled $105,790 (2013 - $99,289) and included: bank charges of $5,122; courier costs of $476; office expenses of $13,810, office rent of $53,956; telecommunications of $11,936; office insurance of $2,550; commercial liability insurance of $5,940; and directors' and officers' insurance of $12,000. Depreciation increased over that of the same period of the prior year to $134,134 (2013 - $120,171) due to the acquisition and use of additional equipment in Nicaragua of which $131,041 was capitalized to exploration and evaluation assets.

Expenditure on travel and promotion was held to $26,976 (2013 - $94,356). Costs paid included meals and entertainment of $3,733, travel costs of $3,681, promotion of $11,667, email and newswire services of $6,075 and website creation/maintenance costs of $1,820.

Professional fees were lower with those of the prior year at $97,691 (2013 - $176,851) and consisted of audit fees and accruals of $91,683 and legal fees of $6,008.

Regulatory and listing fees for the year were $21,721 (2013 - $49,029) for corporate filing fees of $15,952 and transfer agency service expenses of $5,769.

As the Company is an exploration stage company and does not generate any cash flow, it has no income other than interest income. The Company relies on equity financings for its working capital requirements and to fund its planned exploration activities. Interest income for the year ended April 30, 2014 was $3,762 (2013 - $14,978). The decrease over the same period of the prior year being attributable to fewer funds held on account.

Trends

The Company has been in a growth pattern, actively exploring with a view to developing its San Albino-Murra Gold Property in northern Nicaragua. After acquiring the option on the Property in late June 2009, Golden Reign completed geological mapping and prospecting work throughout the property and an initial drill program at the San Albino Mine, the most advanced prospect. In early 2012, the Company undertook a major trenching program in the Southern District. In April 2012, a definition drilling program was initiated at the San Albino Gold Deposit, completing in July 2012. The Company's initial resource calculation was announced in late November 2012. An independent NI 43-101 technical report and resource estimate was filed in early January 2013. In July 2014, the Company reported an updated NI 43-101 compliant resource at the San Albino Gold Deposit.

Volatile market conditions and a scarcity of available financing may affect the Company's planned level of activity and development during fiscal 2015.

The Company's general and administrative expenditures are related to the level of financing and exploration activities that are being conducted, which may in turn depend on the Company's exploration activities and prospects, as well as general market conditions relating to the availability of funding for exploration-stage resource companies. The Company does not acquire properties or conduct exploration work on its properties on a pre-determined basis. Thus, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Other than as herein disclosed, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Company's expenses, income from investing, profitability, liquidity or capital resources, of that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Market Trends

In recent years, the gold price has experienced high levels of volatility. In 2012, the price of gold reached new heights, briefly exceeding US$1,900/oz. It currently is priced at approximately US$1,300/oz. Demand for physical gold continues to be strong, despite the more recent sell-off of gold ETFs. A number of potential bullish factors – South African mining disputes, the U.S Federal Reserve stimulus package and continued sluggish world economies – could support higher prices in the near-term.

Silver is currently trading approximately US$20/oz. There is an industrial demand for silver; however, it is the investment demand that has been primarily driving its price.

(Sources include: www.kitco.com; agmetalminer.com; www.mineweb.net; www.lme.co.uk)

RISK FACTORS

The Company's principal activity of mineral exploration is generally considered to have high risk. Companies involved in this industry are subject to many and varied types of risks, including but not limited to: environmental, commodity prices, political, and economic. Some of the more significant risks are:

- substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely low;
- mineral resource amounts are estimates only and may be unreliable. The Company cannot be certain that any specified level of recovery of minerals from mineralized material will, in fact, be realized or that any of its mineral property interests or any other mineral deposit will ever qualify as a commercially mineable ore body that can be economically exploited. Material changes in the quantity of mineralization, grade or stripping ratio or mineral prices may affect the economic viability of the properties.
- the junior resource market where the Company raises funds is extremely volatile, companies are subject to high level of competition for the same pool of investment dollars, and there is no guarantee that the Company will be able to raise adequate funds in a timely manner to conduct its business;
- although the Company has taken steps to verify title to its exploration and evaluation assets there is no guarantee that the exploration and evaluation assets will not be subject to title disputes or undetected defects; and
- the Company is subject to laws and regulations related to environmental matters, including provisions for reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental legislation and is not aware of any existing environmental problems related to its mineral property interests that may be the cause of material liability to the Company.

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described above and the other information filed with the Canadian securities regulators before investing in the Company's common shares. The risks described are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose all of their investment.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2014, the Company's primary capital asset was its investment in exploration and evaluation assets of $23,609,939 (April 30, 2013 - $18,051,029).

It held cash of $111,047 (April 30, 2013 - $752,203) and had negative working capital of $414,756 (April 30, 2013 – positive working capital of $116,475). During the year, the Company raised gross proceeds of approximately $3.46 million from non-brokered private placements. In June, 2013, the Company completed private placement of 15,797,830 units at a price of $0.15 per unit. Each unit was comprised of one common share and one share purchase warrant entitling the holder to purchase an additional share at a price of $0.25 for a period of two years. In December, 2013, the Company closed the first tranche of a private placement consisting of 2,429,411 units at a price of $0.17 per unit to raise additional proceeds of $413,000. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase an additional common share a price of $0.25 for a period of two years. In March, 2014, the Company closed the second and final tranche of the placement comprising 4,349,700 units for further proceeds of $739,449. Subsequent to April 30, 2014, the Company issued 21.3 million common shares priced at $0.15 for gross proceeds of $3.2 million. Further financing will be required to progress the flagship San Albino-Murra Property and the El Jicaro Concession.

During fiscal 2014, the Company experienced cash outflows of $595,112 (2013 - $695,042) from operating activities. Investing activities used cash of $3,591,361 (2013 - $4,821,484), including $3,651,873 (2013 - $4,684,603) spent on the Company's Nicaraguan projects and $7,568 (2013 - $59,070) paid for equipment. Financing activities realized positive cash flows of $3,544,133 (2013 - $4,921,862). Overall, cash decreased by $642,340, as compared to a decrease of $594,664 in the prior fiscal year.

The Company does not derive any revenues from operations and does not expect to generate any revenues from operations in the foreseeable future. The Company has no material income from operations.

The Company's financial performance is dependent upon many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and respond to changes in domestic and international political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production are difficult to predict. Changes in events could materially affect the financial performance of the Company.

The Company's mineral exploration activities have provided the Company with no sources of income and a history of losses and deficit positions. However, given the nature of its business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of the Company's performance and valuation.

The Company is dependent on raising funds by the issuance of shares or disposing of interests it has in exploration and evaluation assets in order to finance further acquisitions, undertake exploration and development activities on exploration and evaluation assets and meet general and administrative expenses in the long term.

There is no assurance that additional funding will be available to allow the Company to fully explore its exploration and evaluation assets. Failure to obtain financing could result in the delay or indefinite postponement of further exploration and the possible partial or total loss of the Company's interest in certain properties. The Company may be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized.

The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, or the impact on the statement of loss and balance sheet classifications that would be necessary were the going concern assumption not appropriate. Such adjustments could be material.

Debt financing has not been used to fund the Company's property acquisitions and exploration activities. The Company, other than as stated herein, has no current plans to use debt financing for such transactions and activities. The Company does not have "standby" credit facilities, or off-balance sheet arrangements and it does not use hedges or other financial derivatives.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the year ended 2014, the Company paid or accrued:

(a) salaries of $120,000 (2013 - $103,000) to Kim Evans, a director and officer of the Company;
(b) salaries of $86,400 comprising payments of $22,800 (2013 - $Nil) to Michele Pillon an officer of the Company and 63,600 (2013 - $70,500) to Janice Craig, a former officer of the Company;
(c) salaries of $96,000 (2013 - $79,000) to Zoran Pudar, an officer of the Company, which was capitalized to mineral properties; and,
(d) consulting fees of $50,000 (2013 - $Nil) to Kevin Weston, a former officer of the Company, which was capitalized to mineral properties.

Included in accounts payable and accrued liabilities is a total of $16,044 (2013 - $8,444) due to related parties for expenses. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

Foreign currency translation and transactions

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the financial reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of profit or loss.

The financial statements of entities that have a functional currency different from that of the Company ("foreign operations") are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in other comprehensive income as currency translation differences and taken into a separate component of equity. The Company's Nicaraguan subsidiaries functional currency is the US dollar.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses in accumulated other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses in accumulated other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

Financial Instruments and Risk Management

Financial Instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, receivables, accounts payable and accrued liabilities.

(a) Fair value

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The carrying value of receivables and payables and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

(b) Credit and interest risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company has cash balances but no interest-bearing debt. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables. The Company's current policy is to invest excess cash in variable interest investment-grade demand deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk to be remote. Receivables are primarily due from a government agency. The Company's credit risk has not changed significantly from the prior year.

(c) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash flows from operations, dispositions of assets and accessing financing through private placements and other tools. On July 10, 2014, the Company raised additional funding of $3.2 million.

(d) Commodity risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

(e) Foreign currency risk

The Company's functional currency is the Canadian dollar; however, its subsidiaries' functional currency however is the US dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates and the degree of volatility in these rates. Currently this risk is quantified at a 1% change. The Company has not hedged its exposure to currency fluctuations.

OUTSTANDING SHARE DATA AS AT AUGUST 25, 2014:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	116,491,941

(b) Summary of options outstanding:

Security	Number	Number Exercisable	Exercise Price	Expiry Date
Options	375,000	375,000	0.20	November 9, 2014
Options	909,000	909,000	0.25	September 20, 2015
Options	400,000	400,000	0.41	October 15, 2015
Options	150,000	150,000	0.50	October 15, 2015
Options	1,450,000	1,450,000	0.56	February 7, 2016
Options	1,945,000	1,945,000	1.10	February 15, 2017
Options	1,365,000	1,365,000	0.80	August 8, 2017
Options	1,060,000	1,060,000	0.20	July 15, 2018
Options	60,000	60,000	0.25	October 16, 2018
	7,714,000	7,714,000		

(c) Summary of warrants outstanding:

Security	Number	Exercise Price	Expiry Date
Warrants	3,482,385	0.25	December 31, 2014
Warrants	14,632,830	0.25	June 4, 2015
Warrants	242,800	0.25	June 4, 2015
Warrants	2,429,411	0.25	December 13, 2015
Warrants	28,235	0.25	December 13, 2015
Warrants	4,349,700	0.25	March 12, 2016
Warrants	12,000	0.25	March 12, 2016
	25,177,361		

SUBSEQUENT EVENTS

Subsequent to April 30, 2014, the Company:

(a) completed a US$15.0 million gold streaming arrangement with Marlin Gold Mining Ltd. ("Marlin") at its San Albino Gold Deposit, located on the San Albino-Murra Concession, as described in Note 7.

Concurrent with the closing of the transaction, the Company issued to Marlin 21.3 million common shares, for proceeds of $3.2 million. A fee of $160,000 is payable on the financing and a fee of US$525,000 is payable on the gold streaming arrangement in staged payments over a period of eight months.

(b) amended 4,711,640 share purchase warrants by extending the expiry date to December 31, 2014 and reducing the price to $0.15 if exercised on or before the original expiry date of July 12, 2014 and at a price of $0.25 thereafter until the end of the revised term;

(c) repriced an aggregate 5,310,000 share options to $0.25; and

(d) received proceeds of $186,638 from the exercise of 1,244,255 share purchase warrants.

FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments was issued by the IASB and will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). Where equity instruments are measured at fair value through other comprehensive income (loss), dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income (loss) indefinitely. Requirements for financial liabilities are included in IFRS 9 and they largely carry forward existing requirements from IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income (loss). IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

In July 2013, the IASB tentatively decided to defer the mandatory effective date of IFRS 9. The IASB agreed that the mandatory effective date should no longer be annual periods beginning on or after January 1, 2015 but rather be left open pending the finalization of the impairment and classification and measurement requirements. The Company is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design and operating effectiveness of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and were operating effectively as at April 30, 2014.

DISCLOSURE CONTROLS

Management is also responsible for the design and operation of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Company's disclosure controls and procedures as of April 30, 2014 and have concluded that these controls and procedures are effective.

OTHER INFORMATION

For additional disclosures concerning the Company's general and administrative expenses and exploration and evaluation assets, please refer to the audited consolidated financial statements for the year ended April 30 2014, which are available on the Company's web site at www.goldenreign.com or on SEDAR at www.sedar.com.