MANAGEMENT DISCUSSION AND ANALYSIS
For the Three and Nine Month Period ended January 31, 2015

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 three and nine month period ended January 31, 2015 and should be read in conjunction with the Company's unaudited consolidated interim financial statements and the notes thereto for the nine-month period ended January 31, 2015 and the audited consolidated financial statements and 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 March 31, 2015, the date of preparation.

The January 31, 2015 interim 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 has built a property position that encompasses most of an apparent gold belt in northern Nicaragua. Exploration to date indicates considerable potential (see the technical report filed January 4, 2013 available on www.sedar.com and the Company's website).

Golden Reign's next objective is to establish a low cost, profitable cornerstone operation at San Albino - *an area that represents only 2% of our landholdings* - with the aim of self-funding exploration and growing our operations in a non-diluting manner, through free cash flow.

Located near 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 potential development by the Company. GRR is advancing San Albino to production on an expedited basis. In July 2014, the Company signed a US$15.0 million gold streaming arrangement with Sailfish Royalty Corp. ("Sailfish"), a subsidiary of Marlin Gold Mining Ltd. ("Marlin"), that covers solely the San Albino Gold Deposit, a 3.5 square kilometre area (the "Marlin AOI") within the Company's 138 square kilometre landholdings.

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 development.

Golden Reign's most significant asset continues to be the exploration potential of the Nicaraguan property holdings. The Company will continue to advance exploration targets at Las Conchitas, Murra and the El Jicaro Concession.

Current operations

Preliminary Economic Assessment (PEA) - Key Results

On March 16, 2015, the Company announced key information from a Preliminary Economic Assessment study on its San Albino Gold Deposit. The PEA is being prepared by P&E Mining Consultants Inc. ("P&E") and is based upon an updated mineral resource estimate, open pit and underground mine plan and a 250 tonnes per day process plant. The NI 43-101 technical report associated with the PEA will be filed on SEDAR within 45 days of the news release.

The results of the PEA are compelling. The San Albino Gold Deposit is a low tonnage, high-margin gold project with a robust estimated average mined grade of 8.02 g/t gold equivalent and all-in sustaining cash costs of US$460/oz gold. (Note: All figures are quoted in US dollars)

PEA Highlights	***Under Gold Stream***	***No Gold Stream***
Financial Highlights (@ US$1,250/oz gold price):		
After-tax and royalties Internal Rate of Return (IRR)	37.5%	47.8%
After-tax Net Present Value (NPV)		

@ 5% discount	$ 105.8 M	$ 129.0 M
@ 8% discount	$ 63.3 M	$ 80.0 M
@ 10% discount	$ 46.4 M	$ 60.3 M
Payback period	2.2 years	1.7 years
Life of Mine (LOM) After-tax Free Cash Flow (FCF)	$ 291.6 M	$ 338.6 M
Average annual After-tax FCF	$ 9.4 M	$ 10.9 M
Mine Plan Highlights:		
Initial capital expenditures, including $2.3 million contingency (20%)	$ 13.9 M	$13.9 M
Average mined diluted grade	8.02 g/t AuEq	8.02 g/t AuEq
Production Highlights (250 tpd plant):		
All-in sustaining cost AuEq	$ 460	$462
Cash costs AuEq	$ 424	$426
LOM gold production AuEq	676,800 oz	676,800 oz
Average annual gold payable production AuEq	21,800 oz	21,800 oz

Project Sensitivities

Due to its high-grade nature, the project shows strong resilience to variances in gold prices, thus mitigating risk. The table below shows gold price sensitivities for the range of US$800 to US$1,500 per ounce of gold.

Gold price sensitivity (after-tax US$M)								
US$/oz	**$800**	**$1,000**	**$1,150**	**$1,200**	**$1,250**	**$1,300**	**$1,350**	**$1,500**
NPV 5% discount ($US M)	$ 41.1	$ 69.6	$ 90.9	$ 98.0	$ 105.8	$ 113.7	$ 121.5	$ 145.1
IRR (%)	20.3%	28.7%	34.1%	35.8%	37.5%	39.1%	40.7%	45.3%
Payback (years)	3.8	2.8	2.4	2.3	2.2	2.1	2.0	1.8

Scalability

Although a 250 tpd production scenario is the basis for Golden Reign's initial operating plans and the San Albino Gold Deposit PEA, a sensitivity analysis for scenarios of 350 tpd and 500 tpd were also reviewed. The results show improved economics at higher production rates, inclusive of the existing gold stream arrangement, based on factored operating costs and capital expenditures, as follows:

	500 tpd	**350 tpd**	**250 tpd (base case)**
After-tax NPV 5% discount ($US M)	$ 174.6 M	$ 144.4 M	$ 105.8 M
After-tax IRR (%)	54.3%	46.5%	37.5%
Payback (years)	1.7 years	1.8 years	2.2 years
Initial capital expenditures (with 20% contingency)	$ 21.1 M	$ 17.0 M	$ 13.9 M
All-in sustaining costs AuEq	$ 391/oz	$ 418/oz	$ 460/oz
Cash costs AuEq	$ 355/oz	$ 383/oz	$ 424/oz
Average annual gold payable production AuEq	42,300 oz	30,800 oz	21,800 oz
Average annual After-tax Free Cash Flow	$ 19.4 M	$ 13.8 M	$ 9.4 M
Life of Mine	16 years	22 years	31 years

The Company may seek to ramp-up the initial 250 tpd production rate at San Albino through the re-investment of some of its free cash flow or, should market conditions improve, additional equity issuances. A larger plant and expanded throughput capability should improve the economics of the existing deposit, as illustrated above, as well as offering capacity to meet organic growth as the realization of the exploration potential of the San Albino deposit and surrounding areas is achieved.

Open-Pit Mining

The initial PEA production plan contemplates four separate open pits – West Pit (Phases I & II), SW Pit, NE Pit and Central Pit – to be developed and mined over approximately eleven years. Additional shallow in-fill drilling and trenching between pits offers the potential to increase open-pittable resources and result in the mining of fewer, larger open-pits.

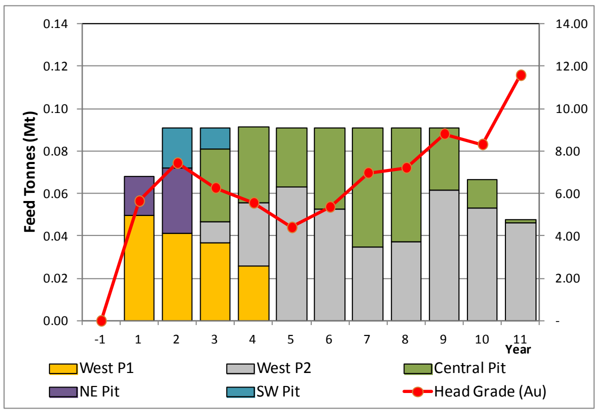
The optimized pit and resulting design has an overall wall slope of 45°, a cut-off grade of 1.46 g/t AuEq for oxide material and 1.40 g/t AuEq for fresh rock, and a life of mine average strip ratio of 5.2:1.

	Mill Feed (diluted kt)	Au Grade (g/t diluted)*	Ag Grade (g/t diluted)*	AuEq Grade (g/t diluted)*	Contained Gold (ounces)	Contained Silver (ounces)	Contained AuEq (ounces)
Indicated	566.5	6.84	12.68	6.99	124,500	231,000	127,300
Inferred	354.0	7.00	11.47	7.14	79,700	130,500	81,300

* the dilution grade is estimated to be 1.07 g/t Au and 4.3 g/t Ag applied to all pits, with in-pit dilution tonnage ranging from 27-46% depending on the lens width, and an ore loss factor of 3% for all pits.

The following chart illustrates the open-pit mill feed supply by year and anticipated head grade. The head grade peaks near the end of the open-pit schedule in years 9 to 11 as the West Pit deepens into the high grade fresh rock mineralization (>12 g/t Au).

Mill Feed Source and Head Grade (Au)



Underground Mining

As the gold zones become deeper and open pit strip ratios increase, underground mining methods will be applied. There is a 3-year transition period (years 10 through 12) during which open-pit operations taper off and underground production ramps up. From year 13 onwards, production is solely from underground operations.

The envisioned underground mining operation has a vertical depth of 315 metres, extending 900 metres along strike and 800 metres down dip, comprising 30 potentially mineable blocks – representing the bulk of the mill feed tonnage (67%).

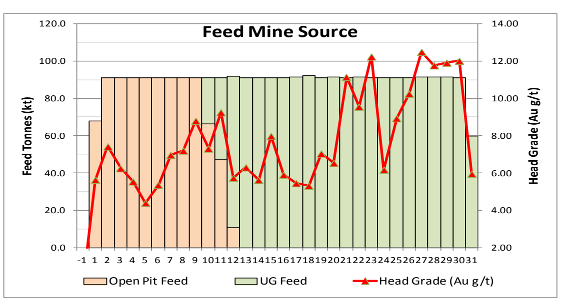
	Mill Feed (diluted kt)	Au Grade (g/t diluted)*	Ag Grade (g/t diluted)*	AuEq Grade (g/t diluted)*	Contained Gold (ounces)	Contained Silver (ounces)	Contained AuEq (ounces)
Indicated	31.1	9.12	10.94	9.26	9,100	11,000	9,300
Inferred	1,820.4	8.33	12.63	8.49	487,700	739,300	496,600

* the dilution grade is estimated to be 0.68 g/t Au and 2.5 g/t Ag on underground dilution of 20% with underground recovery estimated at 76.5% for stopes, and zero dilution and 100% recovery in development drives.

At an average true thickness of 2.6 metres, the deposit has a general dip angle of 25 degrees which does not allow for the use of in-stope trackless equipment. The primary mining method is envisaged to be steep panel mining using jacklegs and slushers.

The highest head grades are expected to be achieved after year 20, when the underground mining operations encounter deeper higher grade zones.

Life-of-Mine Head Grades



The PEA is a conceptual study of the potential viability of mineral resources. The potential mill feed tonnages utilized in the PEA contain both Indicated and Inferred resources. The reader is cautioned that Inferred Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that value from such Resources will be realized either in whole or in part. As the Company does not intend to complete a Pre-Feasibility or Feasibility Study prior to potentially commencing small scale production at the San Albino Gold Deposit there is an increased risk that the economic and technical aspects of the PEA may not be realized.

Mineral Resources

P&E has prepared an updated mineral resource estimate for the San Albino Gold Deposit, which has been used as the basis for the PEA and will be included in the NI 43-101 technical report.

Zone	Classification	Cut-off grade AuEq (g/t) Pit +	UG	Tonnes	Au (g/t)	Au (ounces)	Ag (g/t)	Ag (ounces)	AuEq (g/t)	AuEq (ounces)
Oxide	Indicated	0.75	2.00	494,000	6.21	98,700	12.7	202,200	6.35	100,900
	Inferred	0.75	2.00	328,000	4.95	52,300	9.6	101,400	5.06	53,400
Fresh	Indicated	0.75	2.00	184,000	9.17	54,200	11.8	69,600	9.34	55,200
	Inferred	0.75	2.00	2,739,000	8.35	735,500	13.1	1,152,900	8.55	752,700
Total	**Indicated**	**0.75**	**2.00**	**678,000**	**7.01**	**152,900**	**12.5**	**271,800**	**7.16**	**156,100**
	Inferred	**0.75**	**2.00**	**3,067,000**	**7.99**	**787,800**	**12.7**	**1,254,300**	**8.17**	**806, 100**

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 mineral resources were 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 the CIM Council.
3) 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;
4) 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;
5) Metal prices were based on a two year trailing average as of September 30, 2014. The gold price was US$1,404/oz and the silver price was $23.47/oz.
6) Gold Equivalent was calculated on the basis of 1 gram gold = 71 grams silver.

The 2015 mineral resource estimate update categorizes resources as either In-Pit (open-pittable) or Out-of-Pit (underground).

In-Pit Resources

Zone	Classification	Cut-off grade AuEq (g/t)	Tonnes	Au (g/t)	Au (ounces)	Ag (g/t)	Ag (ounces)	Au Eq (g/t)	AuEq (ounces)
Oxide	Indicated	0.75	485,000	6.26	97,700	12.9	200,700	6.40	99,900
	Inferred	0.75	313,000	5.05	50,900	9.5	95,600	5.16	51,900
Fresh	Indicated	0.75	171,000	9.59	52,700	12.2	67,000	9.77	53,700
	Inferred	0.75	567,000	7.74	141,100	10.82	197,700	7.90	144,000
Total	**Indicated**	**0.75**	**656,000**	**7.13**	**150,400**	**12.7**	**267,700**	**7.28**	**153,600**
	Inferred	**0.75**	**880,000**	**6.78**	**192,000**	**10.4**	**293,300**	**6.93**	**195,900**

At present, over 40% of the In-Pit resources fall within the Indicated category – 153,600 AuEq ounces averaging 7.28 g/t AuEq.

The updated resource calculation employs a higher cut-off grade (previously 0.23 g/t AuEq cut-off) resulting in 4 separate, smaller open pits.

With additional shallow in-fill drilling and trenching of the inter-lying areas, there is potential to increase open-pittable resources and mine fewer, larger open-pits.

The near-surface San Albino Gold Deposit remains open along strike in both directions and down dip.

Out-of-Pit Resources

Zone	Classification	Cut-off grade AuEq (g/t)	Tonnes	Au (g/t)	Au (ounces)	Ag (g/t)	Ag (ounces)	Au Eq (g/t)	AuEq (ounces)
Oxide	Indicated	2.0	9,000	3.36	1,000	5.3	1,500	3.41	1,000
	Inferred	2.0	15,000	2.89	1,400	11.8	5,800	3.02	1,500
Fresh	Indicated	2.0	13,000	3.57	1,500	6.4	2,700	3.66	1,500
	Inferred	2.0	2,172,000	8.51	594,400	13.7	955,200	8.72	608,700
Total	**Indicated**	**2.0**	**22,000**	**3.48**	**2,500**	**5.9**	**4,200**	**3.56**	**2,500**
	Inferred	**2.0**	**2,187,000**	**8.47**	**595,800**	**13.7**	**961,000**	**8.68**	**610,200**

Mitigating Risk

Golden Reign continues to actively work to mitigate the risk associated with developing the San Albino Gold Deposit by:

- focusing on a high margin development scenario, with low-tonnage, high-grade material and a modest initial capital investment requirement
- completing substantial, advanced metallurgical test work for the PEA, where simple gravity concentration tests returned excellent gold recoveries and overall recoveries for the oxide zone were 91% for gold, 59% for silver and fresh (sulphide) zone were 95% for gold and 91% for silver
- utilizing existing infrastructure – the project is easily accessible via good year-round roads, it has multiple on-site water sources, the national power grid passes directly through the property, its gentle topography is very amenable to the planned mining operations
- continuing to nurture and develop strong community relations
- maintaining good relationships with the Nicaraguan government and its agencies
- planning the expansion of potential resources through additional shallow drilling and trenching
- securing funding for the development and construction of the San Albino mine under a Gold Streaming Arrangement with Marlin Gold Mining Ltd.

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

In July 2014, Golden Reign completed a Gold Streaming Arrangement (the "Arrangement") with Marlin Gold Mining Ltd. ("Marlin") (TSX-V: MLN) at the Company's San Albino Gold Deposit (refer to Company news release dated July 11, 2014). The Arrangement covers ***solely*** the San Albino Gold Deposit, a 3.5 square kilometre area within the Company's highly prospective 138 square kilometre landholdings.

For a purchase price of US$15.0 million Marlin's wholly-owned subsidiary, Sailfish Royalty Corp. ("Sailfish") will be entitled to purchase 40% of gold production from the San Albino Gold Deposit, comprising a total 3.5 square kilometres, at US$700 per troy ounce[1] until Sailfish recovers US$19.6 million[2]. Thereafter, Sailfish will be entitled to purchase 20% of gold production at US$700 per troy ounce[3]. Prior to commercial production, Sailfish will be entitled to receive an 8% semi-annual coupon payment on the purchase price from Golden Reign.

1 Subject to a 1% per year cost escalation beginning three years from commercial production.
2 Golden Reign will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. Golden Reign, at its sole discretion, may increase the amount of gold delivered and/or cash payments made to Sailfish in order to accelerate repayment and reduce the payment stream percentage.
3 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.

Under the 250tpd PEA scenario, Sailfish may purchase a maximum of 27,878 ounces of gold at an average price of US$703 per ounce (or a combination of gold ounces and cash) in repayment of the US$19.6 million. Thereafter, Sailfish may purchase an additional 119,020 gold ounces at an average price of US$852 per ounce. Total potential gold stream revenues from Sailfish are estimated at US$121 million, representing 22.3% of total gold production. Golden Reign retains 77.7% (513,151 ounces) of its gold production and over 90% of its revenue, valued at US$1,250 per ounce, which is estimated at US$639 Million plus 100% of the silver ounces produced which, valued at US$19.50 per silver ounce, is an estimated US$20.4 Million that will be applied as a by-product credit.

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 and technical experience required to advance the project to the production stage. Sonoran is one of the few engineering firms that have senior engineers with direct operating experience in Nicaragua.

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.

IVA (VAT) Refunds

As at the date of this report, the Company has received refunds of Value Added Tax in the amount of NIO 12,290,062.62, equivalent to approximately CAD$549,000, from the Nicaraguan tax authorities. An additional installment payment may be received in April 2015; however, there is no guarantee that this refund will be received. Payments received have been recorded as a recovery of cost associated with the exploration and evaluation costs incurred by the Company on its San Albino-Murra Property.

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. Along the Corona de Oro Gold Belt, Golden Reign acquired 8,700 hectares, held under a 25 year mining license expiring February 3, 2027. The property 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. In October 2012, the Company entered into a further agreement (the "Agreement") acquiring 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.

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

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 Corona de Oro Gold Belt. 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 El Jicaro. 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

	January 31, 2015	April 30, 2014
Acquisition Costs	$ 5,388,758	$ 4,620,672
Deferred Exploration Costs	24,106,979	18,989,267
	$ 29,495,737	**$ 23,609,939**

For a comprehensive breakdown of exploration and evaluation costs, please refer to Note 7 of the unaudited consolidated interim financial statements for the nine-month period ended January 31, 2015.

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:

	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss) gain	$(138,227)	$(153,276)	$(288,037)	$(138,366)	$(131,758)	$(221,802)	$(289,272)	$(71,805)
Comprehensive (loss)gain	$3,231,086	$692,130	$(362,362)	$(893,288)	$1,837,889	$(209,154)	$40,297	$(450,467)
Basic and diluted loss per share	($0.01)	($0.00)	($0.00)	($0.01)	$0.00	$0.00	$0.00	($0.02)

Three Months ended January 31, 2015

The Company reported a net loss of $138,227 for the three-month period ended January 31, 2015, as compared to a net loss of $131,758 for the same period in the prior fiscal year. The Company realized decreases in office expenses, professional fees, and travel and promotion, which were offset by an increase in wages and benefits for the current three-month period over the same three-month period of the prior year.

General and administrative expenses for the three months ended January 31, 2015 totaled $141,160 (2014 – $131,959) including a foreign exchange loss of $295 (2014 – gain of $404).

Wages and benefits increased slightly in 2015 to $97,283 (2014 - $84,189) and included consulting fees of $10,725 (2014 - $Nil).

Office and miscellaneous expenses decreased by $1,065 to $24,955 (2014 - $26,020) and included: bank charges of $392; courier costs of $350; office expenses of $2,207, office rent of $13,518; telecommunications of $2,506; office insurance of $368; commercial liability insurance of $1,243; and directors' and officers' insurance of $3,000.

Expenditure on travel and promotion totaled $2,039 (2014 - $3,342). Costs paid included meals and entertainment of $1,273 and website creation/maintenance costs of $240.

Professional fees of $14,450 (2014 - $16,281) consisted of an audit accrual of $14,450 (2014 - $15,000) and legal fees of $Nil (2014 - $1,281).

Regulatory and listing fees for the quarter were $1,375 (2014 - $1,758) for transfer agency services.

During the third quarter of fiscal 2015, the Company received a refund of Value Added Tax in the amount of NIO 6,145,031.31, equivalent to approximately CAD$293,000, from the Nicaraguan tax authorities. It is the second of three anticipated installment payments against the IVA claims submitted by the Company.

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 January 31, 2015 was $2,933 (2014 - $201). The increase over the same period of the prior year being attributable to greater funds held on account.

Nine Months ended January 31, 2015

The Company reported a net loss of $579,540 and a comprehensive gain of $3,560,854 for the nine-month period ended January 31, 2015, as compared to a net loss of $642,832 and a comprehensive gain of $1,669,032 for the same period in the prior fiscal year. A total of $4,140,394 (2014 – $2,311,864) was recorded as a cumulative translation adjustment gain.

General and administrative expenses for the nine months ended January 31, 2015 totaled $583,550 (2014 – $646,594) including a foreign exchange loss of $1,150 (2014 – gain of $454). Share-based compensation expense was $123,000 (2014 - $146,075) and related to stock options re-priced during the period.

Office and miscellaneous expenses totaled $76,971 (2014 - $82,122) and included: bank charges of $1,343; courier costs of $1,215; office expenses of $7,873, office rent of $39,700; telecommunications of $7,548; office insurance of $1,264; commercial liability insurance of $3,729; and directors' and officers' insurance of $9,000.

Expenditure on travel and promotion was held to $16,826 (2014 - $24,975). Costs paid included meals and entertainment of $2,488, travel costs of $2,212, promotion of $3,572, email and newswire services of $500 and website creation/maintenance costs of $1,220.

Professional fees decreased by $45,633 to $35,650 (2014 - $81,283), consisting of only audit fees and accruals. In the prior year, legal fees and expenses incurred totaled $5,000.

Regulatory and listing fees for the nine-month period were $36,381 (2014 - $14,371) for corporate filing fees of $32,553 and transfer agency service expenses of $3,828.

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 nine months ended January 31, 2015 was $4,010 (2014 - $3,762). The slight increase over the same period of the prior year being attributable to additional 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. On March 16, 2015, Golden Reign announced the results of the Preliminary Economic Analysis and updated mineral resource estimate for its 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 in the range of US$1,150 to US$1,250/oz. Demand for physical gold continues to be strong, despite the more recent sell-off of gold ETFs. Despite a number of potential bullish factors the price of gold is not yet on a sustained upward trend.

Silver is currently trading approximately US$17/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 January 31, 2015, the Company's primary capital asset was its investment in exploration and evaluation assets of $29,495,737 (April 30, 2014 - $23,609,939).

It held cash of $950,618 (April 30, 2014 - $111,047) and had working capital of $702,789 (April 30, 2014 – negative working capital of $414,756). During the period, the Company issued 21.3 million common shares priced at $0.15 for gross proceeds of $3.2 million. The Company also raised proceeds of $186,638 from the exercise of warrants. Further financing will be required to progress the flagship San Albino-Murra Property and the El Jicaro Concession.

During the nine-month period, the Company experienced cash outflows of $521,159 (2014 - $509,488) from operating activities. Investing activities used cash of $1,886,801 (2014 - $3,069,522), including $1,900,604 (2014 - $3,083,767) spent on the Company's Nicaraguan projects and $1,493 (2014 - $6,828) paid for equipment. Financing activities realized positive cash flows of $3,227,032 (2014 - $3,109,949). Overall, cash increased by $819,072, as compared to a decrease of $469,061 in the same nine-month period of the prior year.

To date in fiscal 2015, the Company has received refunds of Value Added Tax in the amount of NIO 12,290,062.62, equivalent to approximately CAD$549,000, from the Nicaraguan tax authorities. A further payment is expected in April 2015; however, there is no guarantee that this refund will be received.

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.

Development of the Company's initial operation at the San Albino Gold Mine may be funded mainly under the Marlin/Sailfish gold streaming Arrangement; however, if capital requirements exceed US$15.0 million additional funds will be required. The Company is holding discussions with Sonoran regarding the scheduling of work under its proposed EPCM contract and with Sailfish regarding the scheduling of funding under the Arrangement.

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 nine-month period ended January 31, 2015, the Company paid or accrued:

(a) salaries of $90,000 (2014 - $90,000) to Kim Evans, a director and officer of the Company;
(b) salaries of $34,200 (2014 - $11,400) to Michele Pillon an officer of the Company and $Nil (2014 - $63,600) to Janice Craig, a former officer of the Company;
(c) salaries of $72,000 (2014 - $72,000) to Zoran Pudar, an officer of the Company, which was capitalized to mineral properties; and,
(d) consulting fees of $Nil (2014 - $50,000) 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 $3,331 (2014 - $16,721) 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 MARCH 31, 2015:

(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	909,000	909,000	0.25	September 20, 2015
Options	400,000	400,000	0.25	October 15, 2015
Options	150,000	150,000	0.25	October 15, 2015
Options	1,450,000	1,450,000	0.25	February 7, 2016
Options	1,945,000	1,945,000	0.25	February 15, 2017
Options	1,365,000	1,365,000	0.25	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
	7,339,000	7,339,000		

(c) Summary of warrants outstanding:

Security	Number	Exercise Price	Expiry Date
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
	21,694,976		

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 January 31, 2015.

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 January 31, 2015 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 consolidated financial statements for the nine-month period ended January 31, 2015, which are available on the Company’s website at www.goldenreign.com or on SEDAR at www.sedar.com.