JUNE 15, 2011

This Management's Discussion and Analysis ("MD&A") for Gold Reach Resources Ltd. (the "Company" or "Gold Reach") is dated June 15, 2011 and provides information on the Company's activities for the year ended March 31, 2011 and to the date of this report. This discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2011.

BUSINESS OF THE COMPANY

The Company was incorporated in November 1965 and is engaged in the exploration and development of mineral properties hosting copper-gold, gold silver and copper prospects located in north British Columbia. The Company continues to evaluate acquisition of additional mineral interests in Canada.

OVERALL PERFORMANCE

EXPLORATION

Auro Property

During the first four months of Calendar 2010 the Company acquired 49 claims comprised of 21,912 hectares referred to as the Auro Property in north central British Columbia. In August 2010 the Company amalgamated 32 of these 49 claims into 1 claim resulting in the Company now owning 18 claims with an unchanged total of 21,912 hectares.

The Company has identified numerous magnetic and electromagnetic target areas on the Auro property from its 1,598 line kilometre airborne geophysical survey completed in the Spring of 2010. The survey identified large areas of highly resistive rocks that are coincidental with the magnetic anomalies. The largest of these anomalies is approximately 6 kilometres long and 2 kilometres wide. The geophysics indicates that the Auro Property is on the same structural corridor as Richfield's Blackwater project.

The newly completed detailed interpretation of the 1,598-line-kilometre airborne geophysical survey and the recent stream sampling program has identified numerous areas requiring follow up ground work.

In mid June 2010 the multi phase exploration program for the summer and fall months commenced with field crews starting work on additional stream and soil sampling. This sampling program was completed in early October 2010. The Company also completed 80 line kilometres of line cutting and a 3D induced polarization geophysics survey in preparation for future drill sites. Analysis of the collected 3,000 soil samples and the interpretation of the 3D induced polarization geophysics has identified multiple drill targets and applications for drill permits have been submitted.

Seel and Ox Lake Properties

The Company presently has 19,105 hectares comprised of 53 claims in its Seel and Ox Lake project. To date, the Company has advanced its exploration programs on both the Seel and Ox Lake claims, including geological mapping, surface sampling, geophysics and diamond drilling on both claim blocks.
The Seel and Ox Lake claims are contiguous and are located 120 kilometres by road south of Houston, BC and eight kilometres southeast of the operating Huckleberry open pit mine. The Seel property covers a seven kilometre by two kilometre zone with coincident soil, rock and geophysical anomalies of a type commonly associated with large porphyry mineral systems. An extensive footprint of hydrothermal alteration and sulphide mineralization is observed throughout the seven kilometre belt.

In late 2009, the Company completed a 1,325 line kilometre helicopter borne geophysical survey consisting of magnetometer and radiometric data gathering on the Seel and Ox Lake claims. As a result of the data analysis, the Company acquired two new contiguous claims totaling 920 hectares. The Company continues to examine possible future exploration and development alternatives for the Seel and Ox Lake properties.

On November 16, 2010 the Company signed a Letter of Understanding (LOU) with the Cheslatta Carrier Nation ("Cheslatta") through its wholly owned subsidiary Ootsa Lake Resources Ltd. ("Ootsa").

The LOU between Ootsa and Cheslatta established a business relationship and understanding between the parties regarding the ongoing mineral exploration and development work on Ootsa's Ox and Seel properties. The parties have agreed to act in good faith in negotiating the basic terms of a formal joint venture arrangement for the future development of the Ox and Seel properties.

Ootsa owns a 100% ownership interest in the Ox and Seel properties, which total 19,105 hectares of land located eight kilometers from the producing copper-molybdenum Huckleberry Mine. Two separate resources have been identified from over 100 diamond drill holes on the Ox and Seel properties, resulting in NI43-101 tonnage estimates being compiled for each resource.

Cheslatta is a First Nation community located on the south side of Francois Lake near Burns Lake BC, and has Aboriginal rights and title over the area that the Ox and Seel properties are located.

MINERAL PROPERTIES

Seel/Ox Lake – British Columbia

The Company acquired the interests in the Seel/Ox Lake mineral exploration projects in British Columbia during 2003 through to the date of this report.

Seel copper/gold project

The Company owns a 100% interest in the Seel property subject to a 2% Net Smelter Return Royalty ("NSR").

Ox Lake copper/gold project

The Company owns a 100% interest in the Ox Lake property subject to a 2% NSR. The Company is entitled, at any time, to purchase a 1% portion of the NSR from Silver Standard Resources Inc. ("Silver") by the payment to Silver of $500,000. The Company may purchase the remaining 1% NSR at any time by payment to Silver of an additional $1,000,000.

Auro Property Claims – British Columbia

Auro Property – Central

On January 12, 2010, the Company acquired a 100% interest in 13 new mineral claims comprised of 5,801 hectares ("Auro Property") directly adjacent to Richfield Ventures' 'Blackwater' Bulk Gold Target in central British Columbia. Terms of the property acquisition required a cash payment of $80,000 (paid) and the issuance of 150,000 common shares (issued). The Company paid the required cash portion of the purchase price by reaching an agreement with the vendor to apply the $80,000 in field costs previously paid against the purchase price.

On January 13, 2010, the Company staked an additional 19 new mineral claims comprising 8,224 hectares contiguous to the 13 Auro claims acquired on January 12, 2010. For ease of reference, these contiguous claims are referred to as the "Auro Property – Central".

Auro Property – South

In April 2010, the Company staked an additional 17 mineral claims comprised of 7,886 hectares that are non contiguous to the Auro Property – Central claims. These 17 additional claims are located approximately 18 kilometres south east of the above 32 claims. For ease of reference, these non contiguous claims are referred to as the "Auro Property – South".

As a consequence of the January 2010 acquisition and subsequent staking of additional claims, the Company owned a 100% interest in 49 claims in the Auro Property comprised 21,912 hectares. In August 2010, the Company amalgamated 32 of the 49 claims into 1 claim resulting in the Company now owning 18 claims with an unchanged total of 21,912 hectares.

Auro Property – North West

In early January 2011, the Company increased its land position at the Auro Property by entering into a purchase agreement to acquire a 100% interest in the 407 hectare Princess Claim from Tom Christianson for $8,000 cash and 40,000 shares at an ascribed price of $0.52 per common share.

The Princess claim are located in the northwestern corner of the Auro property and is surrounded by the Company's Auro claims, which are adjacent to Richfield Ventures (RVC: TSX-V) bulk gold discovery.

Acquisition, Exploration and Development Costs

During the year ended March 31, 2011, the Company incurred the following resource property costs:

	Seel	Ox Lake	Auro	Total
Property acquisition costs				
Balance, beginning of the year	$ 325,750	$ 280,000	$ 134,000	$ 739,750
Cash	-	-	11,164	11,164
Shares	-	-	20,800	20,800
Balance, end of the year	325,750	280,000	165,964	771,714
Deferred exploration and development costs				
Balance, beginning of the year	4,131,132	815,225	175,554	5,121,911
Incurred during the year:				
Drilling	38,959	-	-	38,959
Geology	29,260	6,540	134,516	170,316
Geophysics	14,143	-	184,550	198,693
Consulting fees	4,187	10,751	28,376	43,314
Field costs	-	-	195,804	195,804
Reclamation bond	-	-	5,000	5,000
Travel and accommodation	-	-	17,892	17,892
Assaying	-	-	81,762	81,762
Camp costs	-	-	119,588	119,588
Fuel	-	-	1,991	1,991
Insurance	-	-	4,968	4,968
Safety	-	-	1,845	1,845
Wages	-	-	112,568	112,568
Mapping	1,987	-	2,230	4,217
Other	5,225	-	22,777	28,002
Less: recovery of costs	(48,188)	-	-	(48,188)
Total expenditures during the year	45,573	17,291	913,867	976,731
Total expenditures, end of the year	4,176,705	832,516	1,089,421	6,098,642
Balance, end of the year	$ 4,502,455	$ 1,112,516	$1,255,385	$ 6,870,356

During the year ended March 31, 2010, the Company incurred the following resource property costs:

	Auro	**Seel**	**Ox Lake**	**Total**
Property acquisition costs				
Balance, beginning of the year	$ -	$ 325,750	$ 280,000	$ 605,750
Cash	80,000	-	-	80,000
Shares	54,000	-	-	54,000
Balance, end of the year	134,000	325,750	280,000	739,750
Deferred exploration and development costs				
Balance, beginning of the year	-	4,042,404	1,029,332	5,071,736
Incurred during the year:				
Drill pads	-	3,000	-	3,000
Geology	13,861	12,138	-	25,999
Geophysics	157,786	5,000	-	162,786
Consulting fees	-	16,000	-	16,000
Field costs	-	118,123	-	118,123
Filing fees	-	4,657	-	4,657
Travel and accommodation	3,907	-	-	3,907
Less: sale of camp assets	-	(70,190)	-	(70,190)
Less: BC Mining Tax Credit refund	-	-	(214,107)	(214,107)
Total expenditures during the year	175,554	88,728	(214,107)	50,175
Total expenditures, end of the year	175,554	4,131,132	815,225	5,121,911
Balance, end of the year	$ 309,554	$ 4,456,882	$ 1,095,225	$ 5,861,661

FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS

The Company's working capital as at March 31, 2011 was $1,443,671 (2010 – deficiency $110,146). Administrative expenditures for the year ended March 31, 2011 were $894,414 (2010 – $621,108) and they reflect the increased management and administrative costs associated with the commencement of the projects' exploration programs and the provision of $371,376 for stock-based compensation in the year ended March 31, 2011 (2010 - $210,935). Cash of $987,895 was used for deferred acquisition expenditures on resource properties during the year ended March 31, 2011 (2010 – $97,051). Cash flow from financing activities for the year ended March 31, 2011 was $2,932,462 (2010 – $1,008,541) reflecting proceeds from the issuance of shares.

Selected Annual Information

Selected annual information for the three most recently completed fiscal years is as follows:

	Fiscal Year ended March 31 (audited)		
	2011	**2010**	**2009**
Revenues	$Nil	$Nil	$Nil
Loss for the year	$273,947	$598,462	$458,682
Loss per share: Basic & Diluted	$0.02	$(0.14)	$(0.14)
Total Assets	$8,615,072	$6,283,171	$5,723,112
Long Term Debt	$Nil	$Nil	$Nil
Mineral property cash expenditures	$987,895	$97,051	$(43,972)

Annual Results for the Year Ended March 31, 2011

During the year ended March 31, 2011, the Company incurred administrative expenditures of $894,414 (2010 - $621,108) and net exploration expenditures of $987,895 (2010 – $97,051). Administrative expenses increased during the year ended March 31, 2011 by $273,306 when compared to the year ended March 31, 2010.

The increase in administrative expenditures during the year ended March 31, 2011 compared to the period in 2010 was attributable to an increased level of exploration activities on the mineral projects with the accompanying reduction in administrative burden. In Fiscal 2011 the stock-based compensation expense of $371,376 contributed to an overall increase in the administrative expense total.

March 31, 2010 compared to March 31, 2009

Fiscal 2010 compared to Fiscal 2009 was a year of minimal field exploration activities on the Seel/Ox Lake properties but in the latter part of Fiscal 2010, the Company diversified its mineral property portfolio through its acquisition of the Auro claims. Administrative costs were higher in 2010 than Fiscal 2009 due principally to the fiscal 2010 provision for stock-based compensation expense.

Selected Quarterly Information

The following table provides selected financial information of the Company for each of the last eight quarters:

	2011	2010				2009		
Quarter ended:	**March 31**	**Dec. 31**	**Sept. 30**	**June 30**	**March 31**	**Dec. 31**	**Sept. 30**	**June 30**
(Loss) Income	$224,845	($117,671)	$(141,998)	$(239,123)	$(403,147)	$(66,000)	$(89,082)	$(40,233)
(Loss) per share: basic and diluted	$0.02	($0.01)	($0.01)	($0.02)	($0.10)	($0.02)	($0.03)	($0.01)
Weighted average of shares issued	14,509,148	11,797,011	10,921,008	10,554,022	4,409,769	3,432,088	3,307,130	3,307,130
Total Assets	$8,615,072	$8,578,918	$7,018,421	$7,077,154	$6,283,171	$5,949,547	$5,593,868	$5,554,900
Long-Term Liabilities	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

Liquidity and Capital Resources

As an exploration stage company, the Company's liquidity position decreases as expenses are incurred. To mitigate this liquidity risk, the Company budgets both exploration and administrative expenditures and closely monitors its liquidity position. The Company's cash position as at March 31, 2011 was $1,607,572 as compared to $368,665 on March 31, 2010. During the three months ended March 31, 2011, the Company reported net income of $224,845 with this income amount arising from a 4th quarter income tax adjustment (2010 – loss of $403,147). The Company intends, if possible, to raise further financing by way of an equity issuance or private loans in order to meet its exploration and working capital requirements as and when needed.

During the year ended March 31, 2011, the Company issued 4,884,348 flow-through shares (2010 – Nil) and 1,765,000 non-flow through shares (2010 – 5,256,875) for net proceeds of $2,979,962 (2010 - $968,100).

FINANCIAL INSTRUMENTS

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at March 31, 2011, the Company holds no foreign currencies and is not exposed to any currency risk arising from fluctuation in foreign exchange rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and receivables are exposed to credit risk. Given the minimal amounts of these instruments, the Company is not exposed to any significant credit risk as at March 31, 2011.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the period in the financial statements is interest income on Canadian dollar cash. As at March 31, 2011, the Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liability. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. The Company addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. Additional capital was successfully obtained during the year to increase liquidity.

SHARE DATA

As of June 15, 2011, the Company had 15,814,737 common shares issued and outstanding, 1,518,473 options issued and outstanding, 10,306,220 share purchase warrants issued and outstanding and 216,564 agent share purchase warrants issued and outstanding (fully diluted – 27,855,994).

RELATED PARTY TRANSACTIONS

(a) During the year ended March 31, 2011, management and director fees of $114,300 (2010: $111,000) were paid to directors or officers of the Company or to companies controlled by directors or officers of the Company.

(b) During the year ended March 31, 2011, mineral property consulting fees of $25,700 (2010: $Nil) were paid to directors or officers of the Company or to companies controlled by directors or officers of the Company.

(c) During the year ended March 31, 2011, administration fees of $14,600 (2010: $48,942) and rent of $8,200 (2010: $18,000) were paid to a Company controlled by a director or officer of the Company. Further, prepaid expenses include $Nil (2010: $1,500) in prepaid rent made to a Company controlled by a director or officer of the Company.

(d) Included in accounts payable and accrued liabilities is $Nil (2010: $23,609) owing to two directors of the Company for unpaid management fees.

(e) Due to related party at March 31, 2011 of $85,709 (2010: $125,509) is payable to a company with directors in common. The amount owed is in the form of a promissory note that is unsecured, bears interest at the rate of 12% per annum, and is payable on demand. Included in the due to related party is accrued interest of $50,709 of which $10,200 was accrued for the current year.

(f) Of the amounts included in promissory notes at March 31, 2011, $Nil (2010: $60,000) was payable to directors of the Company. The amounts owed were unsecured, bear interest at the prime rate of CIBC commercial loans plus 5% interest per annum. During the year ended March 31, 2010, the Company accrued interest payable of $1,747.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements and does not contemplate such arrangements in the foreseeable future. There are no contingent liabilities.

CHANGES TO ACCOUNTING POLICIES

International Financial Reporting Standards

The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace Canada's current generally accepted accounting principles ("GAAP") for publicly accountable profit-orientated enterprises for interim and annual financial statements commencing after January 1, 2011. The Company's year end is March 31 of each year. The first year of reporting for the Company using IFRS will be for the fiscal 2012 year commencing April 1, 2011 and ending on March 31, 2012.

Accordingly, the Company has prepared its financial statements for fiscal 2011, the year ending March 31, 2011, using Canadian GAAP. In 2012, the Company will present its fiscal 2012 financial statements, with comparatives for fiscal 2011, using IFRS. This will necessitate the Company maintaining financial records in both GAAP and IFRS for fiscal 2011.

The Company has completed the initial assessment and scoping phase of its IFRS change-over process. In this phase, the Company is identifying significant differences between existing Canadian GAAP and IFRS; identifying policy choices and changes required to the Company's current accounting policies; and assessing the impact of such choices and changes, including the impact of adopting IFRS 1 – *First Time Adoption of IFRS*. The Company has identified specific accounting policy changes required for IFRS compliance.

The Company has moved into the implementation phase, in which it will update its significant accounting policies, adjust its accounting systems, and design tools and processes for the preparation of IFRS information, including comparative and opening balance sheet information. The Company will also design model IFRS financial statements. These tools and the model IFRS financial statements were tested during early 2011 to ensure a smooth and accurate change-over in April 2011.

To date, management has identified a number of differences between Canadian GAAP and IFRS that relate to the Company. Adjustments required on transition to IFRS will be on the transition date April 1, 2010 and included in the first comparative balance sheet as at June 30, 2011, being the end of the first quarter in fiscal 2012.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS.

Set out below are the most significant areas, management has identified to date, where changes in accounting policies may have the highest potential impact on the Company's consolidated financial statements. In the period leading up to the changeover in 2011, the International Accounting Standards Board ("IASB") has ongoing projects and intends to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's consolidated financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

Impairment of Assets (IAS 36)

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. International Accounting Standard (IAS) 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may result in write downs where the carrying value of assets was previously supported under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis.

Share-Based Payments (IFRS 2)

IFRS and Canadian GAAP largely converge on the accounting treatment for share–based transactions with only a few differences. Consultants who perform the same services as employees are treated as employees for the purposes of IFRS 2. Stock option grants to employees must be measured on the date of the grant. Non-employee grants must be measured on the date the goods are supplied or the service is deemed to be completed. This may lead to a difference in the amount of Stock Option Expense recorded than would be the case under Canadian GAAP Section 3870. Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting. To date, the Company grants all its stock options with immediate 100% vesting terms. Accordingly, it is not expected the graded vesting calculations under IFRS will be applicable. Under IFRS 2, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur.

Exploration and Evaluation Assets (IFRS 6)

Under the Company's current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized. With the adoption of IFRS, the Company will have to determine its accounting policy for exploration and evaluation assets. The Company has decided not to apply the ISAB Framework which requires exploration expenditures to be expensed and only allows capitalization of expenditures after the completion of a feasibility study. Alternatively, the Company may keep its existing policy.

Future Income Taxes (IAS 12)

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the

Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward-traced to equity. IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company's assessment is there will be no material impact on the financial statements of implementing IAS 12, Income Taxes.

General (IFRS 1/IAS 1)

As the Company elects and approves the IFRS accounting policy for each of the areas above, management will determine and disclose the impact of the IFRS adoption at the transition date on our financial statements. The IASB will also continue to issue new accounting standards during the conversion period and, as a result, the final impact of IFRS on the Company's consolidated financial statements will only be measured once all the IFRS applicable accounting standards at the conversion date are known.

Based on management's assessment of the information and internal control system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes, but the preparation of parallel IFRS statements will need, as yet undetermined, incremental resources.

One of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more detail than those required under Canadian GAAP and, therefore, will result in lengthier note references. Secondly, there may be changes in the presentation order and terminology of the financial statements themselves. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements, with a view to facilitating understanding of shareholders and other users of the statements.

Other

For interim and annual financial statements relating to its fiscal year commencing April 1, 2011, the Company will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard IAS 27 "Consolidated and Separate Financial Statements" respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109") the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the annual audited financial statements and this accompanying Annual MD&A (together the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Consistent with other junior companies in the mineral exploration industry, the Company has no source of operating revenue. The Company's audited consolidated financial statements for the year ended March 31, 2011 provide a breakdown of the general and administrative expenses for the quarter under review and an analysis of the capitalized and expensed exploration and development costs incurred on its mineral properties.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional, important factors, if any, are identified here.

RISKS AND UNCERTAINTIES

Early Stage – Need for Additional Funds

Gold Reach has no history of profitable operations and its present business is at an early stage. As such, Gold Reach is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Gold Reach will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

Gold Reach has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although Gold Reach has been successful in the past in obtaining financing though the sale of equity securities or joint ventures, there can be no assurance that Gold Reach will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

Exploration and Development

Exploration for minerals or precious gems is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Company and/or its Subsidiaries will result in discoveries of commercial metal reserves.

Mining and development risk always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of a natural occurring mineral deposit. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed.

Metal and prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors, beyond the control of the Company may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which Gold Reach has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Title Risks

Although Gold Reach has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned.

Environmental Regulations, Permits and Licences

Gold Reach's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Gold Reach intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact of Gold

Reach and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties or requirements abandonment or delays in development of new mining properties.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. Gold Reach competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Gold Reach may, in the future, be unable to meet its share costs incurred under agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, Gold Reach may not be able to finance the expenditures required to complete recommended programs.

Price Volatility of Public Stock

In recent years securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for Gold Reach's shares will be subject to market trends generally and the value of Gold Reach's shares on the TSX Venture Exchange may be affected by such volatility.

Economic Conditions

Unfavourable economic conditions may negatively impact Gold Reach's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

Gold Reach is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate Gold Reach.

CONFLICTS OF INTEREST

Gold Reach's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Gold Reach may participate, the directors and officers of Gold Reach may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, Gold Reach will follow the provisions of the Business Corporations Act ("Corporations Act") in dealing with conflicts of interest. These provisions state that where a director/officer has such a conflict, the director must arrange a meeting of the board to disclose his interest and must refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of Gold Reach are required to act honestly, in good faith and in the best interests of Gold Reach.

APPROVAL

The Audit Committee has reviewed and approved the disclosure included in this annual MD&A. A copy of the quarterly MD&A will be provided to anyone who requests it. Additional Information relating to Gold Reach can be found at the Company's website www.goldreachresources.com or www.sedar.com.