GOLDEN REIGN RESOURCES LTD.

INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2010

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS
Under National Instrument 51-102, Part 4, subsection 4.3(3)(1), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the indicating that the interim financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's Management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GOLDEN REIGN RESOURCES LTD.
BALANCE SHEETS
(Unaudited)

AS AT	January 31, 2010	April 30, 2009
ASSETS		
Current		
Cash	$ 370,298	$ 1,182,074
Receivables	10,800	8,257
Prepaid expenses	3,198	2,905
	384,296	1,193,236
Equipment (Note 3)	26,652	10,039
Mineral properties (Note 4)	678,680	-
	$ 1,089,628	$ 1,203,275
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 55,175	$ 33,160
Shareholders' equity		
Share capital (Note 5)	4,664,055	4,624,055
Contributed surplus (Note 5)	1,172,943	1,124,343
Deficit	(4,802,545)	(4,578,283)
	1,034,453	1,170,115
	$ 1,089,628	$ 1,203,275

Nature of operations and going concern (Note 1)
Commitments and contingency (Note 7)
Subsequent Event (Note 11)

On behalf of the Board:

"Andrew Milligan" Director
Andrew Milligan

"Kim Evans" Director
Kim Evans

The accompanying notes are an integral part of these financial statements.

GOLDEN REIGN RESOURCES LTD.
STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31
(Unaudited)

	2010		2009	
	3 months	9 months	3 months	9 months
EXPENSES				
Amortization	$ 2,153	$ 3,488	$ 977	$ 2,932
Consulting	-	9,000	14,500	41,500
Foreign exchange loss (gain)	179	4,810	(6)	(70)
Management fees	19,500	58,500	19,500	58,570
Office and miscellaneous	10,928	31,620	8,531	27,153
Professional fees	10,038	13,352	11,128	39,611
Property investigation	10	2,497	808	1,104
Regulatory and listing fees	3,095	10,901	1,411	7,789
Stock-based compensation	19,000	19,000	-	-
Travel and promotion	7,180	11,923	2,241	17,780
Wages and benefits	20,438	61,336	20,406	61,304
	(92,521)	(226,427)	(79,496)	(257,673)
OTHER ITEMS				
Interest income	964	2,165	3,296	22,166
Loss and comprehensive loss for the period	(91,557)	(224,262)	(76,200)	(235,507)
Deficit, beginning of period	(4,710,988)	(4,578,283)	(4,433,229)	(4,273,922)
Deficit, end of period	$ (4,802,545)	$ (4,802,545)	$ (4,509,429)	$ (4,509,429)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.01)
Weighted average number of basic and diluted common shares outstanding	26,523,278	26,523,278	25,939,716	25,939,716

The accompanying notes are an integral part of these financial statements.

GOLDEN REIGN RESOURCES LTD.
STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31
(Unaudited)

	2010		2009	
	3 months	9 months	3 months	9 months
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$ (91,557)	$ (224,262)	$ (76,200)	$ (235,507)
Items not affecting cash:				
Amortization	2,153	3,488	977	2,932
Stock-based compensation	19,000	19,000	-	-
Changes in non-cash working capital items				
Decrease (increase) in receivables	(56)	(2,543)	32,855	32,295
Decrease (increase) in prepaid expenses	(877)	(293)	(745)	6,852
Decrease in accounts payable and accrued liabilities	9,872	(2,196)	6,458	(33,182)
Cash flows used in operating activities	(61,465)	(206,806)	(36,337)	(227,934)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of equipment	-	(20,102)	-	-
Expenditures on mineral properties	(276,831)	(584,868)	-	-
Cash flows used in investing activities	(276,831)	(604,970)	-	-
Decrease in cash during the period	(338,296)	(811,776)	(36,337)	(227,934)
Cash, beginning of period	708,594	1,182,074	1,288,468	1,480,065
Cash, end of period	$ 370,298	$ 370,298	$ 1,252,131	$ 1,252,131
Cash paid during the period for:				
Interest	$ -	$ -	$ -	$ -
Income taxes	-	-	-	-

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Reign Resources Ltd. (the "Company") was incorporated on April 1, 2004 under the laws of the Yukon Territory and continued into British Columbia under the *British Columbia Corporations Act* and its principal business activity is the acquisition and exploration of mineral properties.

As at January 31, 2010, the Company had working capital of $329,121, which management believes is sufficient to fund current operations. Thereafter, additional financing will be required to maintain the San Albino-Murra option. The Company's continuance as a going concern in the future will depend upon its ability to obtain adequate financing.

These financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles which assume that the Company will continue in operation for the foreseeable future and be able to discharge its liabilities and commitments in the normal course of operations.

The Company plans to raise additional financing through the issuance of share capital, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, or the impact on the statement of operations and balance sheet classifications that would be necessary were the going concern assumption not appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant estimates include stock-based compensation and future income taxes. Actual results could differ from these estimates.

Mineral properties

The Company records its interests in mineral properties and areas of geological interest at cost less option payments received and other recoveries. All direct and indirect costs relating to the acquisition and exploration of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be an impairment. These costs will be amortized over the proven reserves available on the related property following commencement of production. The amounts shown for mineral properties represent costs incurred to date and are not intended to reflect present or future values.

Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

Management's estimates of recoverability of the Company's investment in various projects have been based on current conditions. However, it is reasonably possible that changes could occur in the near term which could adversely affect management's estimates and may result in material future write-downs of capitalized property carrying values.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Equipment

Equipment is recorded at cost and is amortized over the estimated useful life at the following rates:

Computer equipment	30% per annum, declining balance
Equipment and furniture	20% per annum, declining balance
Vehicles	30% per annum, declining balance

Foreign currency translation and transactions

Monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses denominated in a foreign currency are translated at rates approximating those on the transaction date. Foreign exchange gains and losses are included in loss for the period.

Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. For employees, the fair value of the options at the date of the grant is accrued and charged to operations or capitalized to a resource property, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached or the date which the equity instruments are granted if they are fully vested and non-forfeitable.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods provided, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The Company does not currently have any asset retirement obligations.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Future income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that they carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Mineral properties in the exploration stage do not have established mineral reserves and a basis for the preparation of a projection of the estimated future net cash flow from the properties does not exist.

However, a mining enterprise is required to consider the conditions in Section 3063 for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mineral properties. Whenever events or changes in circumstances indicate that the carrying amount of a mineral property in the exploration stage may be impaired, capitalized costs are written down to the estimated recoverable amount.

Financial instruments

Financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading, financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

The Company designates its cash as held-for-trading, which is measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

The Company had no other comprehensive income or loss transactions during the period ended January 31, 2010 and no opening or closing balances for accumulated other comprehensive income or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial Instruments – Disclosure and Financial Instruments – Presentation

The financial statement disclosure requirements of Section 3862 are to enable users to evaluate the significance of financial instruments on the Company's financial position and performance, the nature and extent of risks arising from financial instruments the Company is exposed to during the reporting period and as at the balance sheet date, and how the Company is managing those risks. Section 3863, the presentation requirements enhance user's understanding of the significance of financial instruments to the Company's financial position, performance and cash flows.

Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Mining Exploration Costs – EIC 174

In March 2009 the CICA approved EIC 174, Mining Exploration Costs. The guidance clarified that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Accounting Changes

Section 1506 provides expanded disclosures for changes in accounting policies, accounting estimates and corrections of errors. Under this standard, accounting changes should be applied retrospectively unless otherwise permitted or where impracticable to determine. In addition, voluntary changes in accounting policy are made only when required by a primary source of GAAP or the change results in more relevant and reliable information.

Going Concern

Section 1400, *General Standards of Financial Statement Presentation* amendments require management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date.

Goodwill and Intangible Assets

Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and expenses during the pre-operating period and the previous Goodwill and intangible assets standard (Section 3062). As a result of the withdrawal of EIC 27, the Company will not be able to defer revenues and related costs incurred prior to commercial production at new operations.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Accounting Policy Developments

i) Convergence with International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of the Company will be May 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonable estimated at this time.

ii) Section 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling interests will replace the former Sections 1581 Business Combinations, 1600 Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 is effective for business combinations for which the acquisition date is on or after January 1, 2011 and Sections 1601 and 1602 apply to consolidated financial statements relating to years beginning on or after January 1, 2011.

iii) During 2009, CICA Handbook Section 3862, *Financial Instruments – Disclosures* ("Section 3862"), was amended. These amendments are applicable to the Company's annual consolidated financial statements ending on November 30, 2009. The amendments provide for additional disclosure requirements about the inputs to fair value measurements of financial instruments, including their classification into one of three levels within a "fair value hierarchy" that prioritizes the inputs to fair value measurement. These disclosures are included in Note 9 of these financial statements.

3. EQUIPMENT

	January 31, 2010			April 30, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 16,629	$ 11,469	$ 5,160	$ 15,789	$ 10,102	$ 5,687
Equipment and furniture	11,066	7,367	3,699	11,066	6,714	4,352
Vehicles	19,262	1,469	17,793			
	$ 46,957	$ 18,152	$ 26,652	$ 26,855	$ 16,816	$ 10,039

4. MINERAL PROPERTIES

San Albino-Murra Property, Nicaragua

On June 29, 2009, the Company entered into an option agreement, subject to regulatory approval, to acquire an initial 80% interest in the San Albino-Murra Mining Concession located in Nicaragua by:

(a) making cash payments to the optionor as follows:
- (i) US$30,000 (paid) on signing of the Agreement;
- (ii) US$100,000 (paid), of which US$50,000 was paid upon delivery of an acceptable legal title opinion to the property and receipt by the Company of conditional acceptance of the Agreement by the TSX-V (received) and the remaining US$50,000 was paid upon receipt by the Company of final acceptance of the Agreement by the TSX-V (the "Approval Date"), which was received on September 30, 2009;
- (iii) US$40,000 on each six month anniversary of the signing of the Agreement, for the duration of the option earn-in period.

(b) incurring aggregate exploration expenditures of US$5,000,000 on the Property, as follows:
- (i) US$200,000 (incurred) on or before the first anniversary of the Approval Date;
- (ii) US$1,000,000 on or before the second anniversary of the Approval Date;
- (iii) US$1,800,000 on or before the third anniversary of the Approval Date; and
- (iv) US$2,000,000 on or before the fourth anniversary of the Approval Date.

(c) issuing a total of 4,000,000 common shares of the Company, as follows:
- (i) 1,000,000 common shares (issued) within five business days of the Approval Date; and
- (ii) 1,000,000 common shares to be issued on each of the first, second and third anniversary dates of the Agreement.

Upon the Company earning its 80% interest, a participating joint-venture agreement will be entered into, unless the optionor elects to convert its 20% working interest to a 3% Net Smelter Royalty ("NSR") and cause the transfer of its working interest to the Company. In which case, the Company has the right to purchase 50% of the NSR, or 1.5%, for an amount of US$1,850,000, and, further, will have the right of first refusal to purchase the remaining 1.5% NSR should it be offered for sale at any time.

Should a commercial production decision be reached, the Company at its election will issue to the optionor additional shares in its capital or cash or a combination thereof, the value of which is to be equivalent to US$3,500,000.

Butarni and Dorozhni Properties, Magadan, Russia

On June 8, 2007, the Company entered into an option agreement with Status LLC ("Status"), the mining division of CentroCredit Bank of Moscow, to acquire a 50% interest in the Butarni and Dorozhni mineral properties (the "Properties"), located in the Magadan Region of Russia.

Under the terms of the agreement, the Company could earn its interest in the Properties by incurring aggregate exploration expenditures totalling US$6,000,000 over a three-year period to acquire a 50% equity interest in Gold Mining Corporation LLC ("GMC"), a private Russian company which holds 20-year comprehensive exploration-mining licences for both properties. The aggregate expenditures that were to be paid to GMC were as follows:

- i) US$1,000,000 on or before December 31, 2007(paid);
- ii) US$3,000,000 on or before December 31, 2008; and,
- iii) US$2,000,000 on or before December 31, 2009.

4. MINERAL PROPERTIES (cont'd…)

Butarni and Dorozhni Properties, Magadan, Russia (cont'd…)

The Company's interest in GMC was to be earned as follows:

i) upon payment of US$2,000,000 a conditional 16.6%;
ii) upon payment of an aggregate US$4,000,000 a further conditional 16.6%; and,
iii) upon payment of an aggregate US$6,000,000 a further 16.8%, for a total vested interest of 50%.

The Company issued 75,000 common shares valued at $16,500 as a finder's fee in connection with this transaction.

On April 30, 2008, the Company wrote-down its interest in the Butarni and Dorozhni properties by $1,239,072 to a nominal balance of $1, as a result of the destabilization of political relationships between Russia and surrounding countries and the uncertain nature of the Company's ability to continue exploration and development of its Russian projects. The project was abandoned during the 2009 fiscal year.

	January 31, 2010	April 30, 2009
San Albino-Murra Property, Nicaragua		
Mineral Properties		
Balance, beginning of year	$ -	$ -
Option payments	227,966	-
	227,966	-
Deferred Exploration Costs		
Balance, beginning of year	$ -	$ -
Consulting	182,811	-
Exploration costs	148,311	-
Geological mapping	15,805	-
Legal	23,603	-
Office	4,104	-
Surface fees	19,917	-
Translation	6,658	-
Travel	49,505	-
	450,714	-
San Albino-Murra Property – Balance, end of period	$ 678,680	$ -
Butarni and Dorozhni Properties, Russia		
Mineral Properties		
Balance, beginning of period	$ -	$ 1
Write-down of mineral properties	-	(1)
Butarni and Dorozhni Properties - Balance, end of period	$ -	$ -

5. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of Shares		Share Amount		Contributed Surplus
Authorized:					
Unlimited number of common shares, without par value					
Issued:					
Balance at April 30, 2008 and April 30, 2009	25,939,716	$	4,624,055	$	1,124,343
Mineral property	1,000,000		40,000		-
Stock-based compensation	-		-		48,600
Balance at January 31, 2010	26,939,716	$	4,664,055	$	1,172,943

Escrowed shares

At January 31, 2010, a total of Nil (2009 – 1,252,000) shares are subject to an escrow agreement and will be released in increments of 15% every six months.

Stock options

The Company has a stock option plan, under which the Board of Directors is authorized to grant options to employees, consultants, officers and directors enabling them to acquire up to 10% of the issued and outstanding share capital of the Company. The exercise price of each option is based on the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Options granted to investor relations consultants are subject to vesting provisions over a twelve month period, with no more than ¼ vesting during any three month period.

The following options were outstanding and exercisable as at January 31, 2010 and April 30, 2009:

	January 31, 2010			April 30, 2009		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Opening balance	1,675,000	$	0.20	2,100,000	$	0.40
Granted	575,000		0.20	-		-
Expired/Cancelled	-		-	(425,000)		0.40
Ending balance	2,250,000	$	0.20	1,675,000	$	0.40
Options exercisable	2,250,000	$	0.20	1,675,000	$	0.40

During fiscal 2010, the Company repriced 1,675,000 outstanding stock options to the exercise price of $0.20 per share. As required by TSX Venture Exchange ("TSX-V") policies, all repriced options held by insiders of the Company were subject to disinterested shareholder approval, which was received at the Company's 2009 annual general meeting of shareholders held on December 7, 2009.

5. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd…)

Stock options (cont'd…)

Weighted Average Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
$ 0.20	November 27, 2011	1,625,000	1,625,000	1.82 years
0.20	January 11, 2012	50,000	50,000	1.95 years
0.20	November 9, 2009	575,000	575,000	4.78 years
$ 0.20		2,250,000	2,250,000	2.85 years

Stock-based compensation

During fiscal 2010, the Company recognized stock-based compensation totalling $48,600 (2009 - $Nil), of which $29,600 was capitalized as mineral property expenditures and $19,000 was expenses as stock-based compensation in operations, with a corresponding increase in contributed surplus.

The fair value of stock options was estimated on the measurement date using the Black-Scholes option-pricing model and is amortized over the vesting period of the underlying options. The assumptions used to calculate the fair value were as follows:

	2010
Risk-free interest rate	**2.72%**
Expected life of options	**5 years**
Expected volatility	**118.27%**
Dividend yield	**Nil**

6. RELATED PARTY TRANSACTIONS

During the period ended January 31, 2010, the Company paid or accrued:

a) management fees of $58,500 (2009 - $58,500) to a director and officer of the Company; and

b) consulting fees of $40,500 (2009 - $40,500) to an officer of the Company for the provision of geological consulting services, of which $31,500 (2009 - $Nil) was capitalized to mineral properties.

Included in accounts payable and accrued liabilities is $4,582 (2009 - $Nil) owing to an officer of the Company.

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 related parties.

7. COMMITMENTS AND CONTINGENCY

During the period ended January 31, 2010, the Company was committed to the following:

a) a management agreement with a director and officer of the Company to pay $6,500 per month for management fees. In the event the Company terminates the agreement without cause, the Company is obligated to pay severance equal to one year's salary;

b) a consulting agreement with an officer of the Company to pay $4,500 per month for consulting fees;

c) an operating lease agreement for office premises expiring December 31, 2009. The minimum lease payments for 2010 fiscal year are $11,952;

d) an rental agreement for office premises in Managua, Nicaragua on a month-to-month basis at a rate of US$600 per month, commencing October 15, 2009; and

e) a consulting agreement to pay US$4,000 per month for business advisory services in Nicaragua. The agreement is for a term of one year, commencing on October 15, 2009.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

i) to safeguard its ability to continue as a going concern;
ii) continue the development and exploration of its mineral properties; and
iii) maintain a capital structure which optimizes the cost of capital at acceptable risk.

The management of capital includes cash and shareholders' equity comprised of share capital, contributed surplus and deficit. As at January 31, 2010, the Company had no bank indebtedness.

The Company is involved in mineral exploration which is a high risk activity. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

Management reviews its capital management approach on an ongoing basis and believes this approach, given the relative size of the Company, is reasonable.

9. FINANCIAL INSTRUMENTS

Credit and Interest rate 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 significant 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 other receivables. The Company's current policy is to invest excess cash in variable interest investment-grade short-term or demand deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk to be remote.

9. FINANCIAL INSTRUMENTS (cont'd…)

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. The exposure of the Company to liquidity risk is considered to be minimal.

Fair value

The Company's financial assets and liabilities consist of cash, amounts receivable and accounts payable and accrued liabilities. The estimated fair values of cash, amounts receivable and accounts payable and accrued liabilities approximate their respective carrying values due to the short period to maturity. The Company classifies its fair value measurements within a fair value hierarchy. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following table illustrates the classification of the Company's financial instruments recorded at fair value within the fair value hierarchy as at January 31, 2010:

	Financial assets at fair value			
	Level 1 $	Level 2 $	Level 3 $	Total $
Cash	-	370,298	-	370,298

There were no financial liabilities measured at fair value at January 31, 2010.
There were no transfers between levels during the 2010 fiscal year.

Commodity price 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.

Sensitivity analysis

As of January 31, 2010, the carrying amount of amounts receivable and payable equals fair market value.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

- The Company holds balances in foreign currencies which give rise to exposure to foreign exchange risk. However, the balances tend to be moderate and therefore the exposure to foreign exchange risk is low. For the period ended January 31, 2010, with other variables remaining constant, a 10% increase (decrease) in the US dollar to Canadian dollar exchange would have increased (decreased) the Company's deficit by approximately $254. There would be no significant effect on other comprehensive income.

9. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd…)

Foreign currency risk

The Company's functional currency is Canadian dollars. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates. A significant change in the currency exchange rates relative to Nicaraguan Cordova ("NIO") could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

10. SEGMENTED INFORMATION

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's identifiable capital assets are located primarily in Canada. Geographic information is as follows:

	January 31, 2010	April 30, 2009
Capital assets		
Nicaragua	$ 678,680	$ -
Canada	26,652	10,039
	$ 705,332	$ 10,039

11. SUBSEQUENT EVENT

Subsequent to January 31, 2010, the Company announced a non-brokered private placement, subject to regulatory approval, of up to 5,000,000 units at a price of $0.20 per unit for gross proceeds of up to $1,000,000. Each unit will consist of one common share and one half of one share purchase warrant, with each full share purchase warrant entitling the holder thereof to acquire one additional common share at a price of $0.25 for a period of two years.

GOLDEN REIGN RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
QUARTERLY REPORT – January 31, 2010

This Management Discussion and Analysis ("MD&A") of Golden Reign Resources Ltd. (the "Company") provides analysis of the Company's financial results for the three and nine month period ended January 31, 2010. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited financial statements. This MD&A report is current as at March 30, 2010.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles and presented in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in the following MD&A may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from the actual results, performance and achievements expressed or implied by these forward-looking statements.

BUSINESS OVERVIEW

Golden Reign, an early stage exploration company, was incorporated on April 1, 2004 under the laws of the Yukon Territory and continued into British Columbia under the *British Columbia Corporations Act*. Common shares of the Company are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "GRR".

During fiscal 2009, the Company focused on identifying prospective mineral properties that met specific criteria; criteria determined by management to be necessary in the rapidly changing environment for junior exploration and mining companies. Key criteria identified by management for potential projects included, but was not limited to: indentifying more advanced exploration projects, as opposed to greenfield projects, with existing in-situ resources and the potential to increase those estimated resources; low cost production opportunities; stable political environment; existing infrastructure, such as roads, water and electricity; weather and length of exploration season; acquisition costs, including share capital dilution; and the quality of potential partners, in regard to specific projects and possible project pipeline expansion. Gold, one of the most sought after and desirable of commodities, has long been the exploration focus for the Company. The Company reviewed and conducted due diligence on a number of gold projects located in Canada, the United States and internationally.

On June 29, 2009, the Company announced the signing of an option agreement to acquire an initial 80% interest in the San Albino-Murra Mining Concession located in Nicaragua. The 8,700 hectare property, held by a private Nicaraguan company 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 producing 10 tons per day of 1 oz/t gold material.

Under the terms of the agreement, the Company is required to make aggregate cash payments of US$450,000, incur aggregate exploration expenditures of US$5,000,000 on the property and issue a total of 4,000,000 common shares from its treasury over a period of 4 years to earn an 80% interest in the property. To date, the Company has paid an aggregate US$170,000, representing all required payments for year one under the property option agreement. Further, a total of 1,000,000 common shares valued at $40,000 were issued to the vendor during the period. Cash payments of US$40,000 are payable on each six month anniversary of the signing of the agreement, for the duration of the option earn-in period.

Upon the Company earning its 80% interest, a participating joint-venture agreement will be entered into, unless the optionor elects to convert its 20% working interest to a 3% Net Smelter Royalty ("NSR") and cause the transfer of its working interest to the Company. In which case, the Company has the right to purchase 50% of the NSR, or 1.5%, for an amount of US$1,850,000, and, further, will have the right of first refusal to purchase the remaining 1.5% NSR should it be offered for sale at any time.

Mineral Properties and Deferred Exploration Costs

	Balance April 30, 2009	Additions	Written Off	Balance January 31, 2010
Mineral property costs	$ -	$ 227,966	$ -	$ 227,966
Deferred exploration costs	-	450,714	-	450,714
	$ -	$ 678,680	$ -	$ 678,680

For a comprehensive breakdown of mineral property costs and deferred exploration costs by property, please refer to Note 4 to the unaudited financial statements for the three and nine month period ended January 31, 2010.

RESULTS OF OPERATIONS

Selected Annual Information

Fiscal Year	**2009**	**2008**	**2007**
Net Sales	Nil	Nil	Nil
Net and comprehensive Loss	$ 304,361	$ 1,878,718	$ 1,684,614
Basic and diluted loss per share	$ 0.01	$ 0.07	$ 0.09
Total Assets	$ 1,203,275	$ 1,543,964	$ 3,400,588
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, 2009, 2008, and 2007 is comprised mainly of general and administrative expenses. The reported net loss for 2009, 2008, and 2007 includes write-down of mineral property interests of $1, $1,480,196 and $498,489, respectively and stock-based compensation expense of $Nil, $7,886 and $728,362, respectively.

Fiscal 2007 marked the advancement of the Company from a private entity to a publicly listed entity. Stock based compensation of $728,362 was recorded, using the Black Scholes option pricing model, to reflect the fair value of options grants which vested during the year. Professional fees for 2007 totaled $103,534, as the Company successfully completed its IPO and commenced trading on the TSX-V.

Summary of Quarterly Results

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

	2010			**2009**				**2008**
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net and comprehensive loss	$ 91,557	$ 61,232	$ 71,473	$68,854	$76,200	$90,037	$ 69,270	$1,366,501
Basic and diluted loss per share	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.01	$ 0.00	$ 0.05

Three Months ended January 31, 2010

The Company reported a net and comprehensive loss of $91,557 for the three month period ended January 31, 2010 compared to a net and comprehensive loss of $76,200 for the same period in the prior fiscal year. General and administrative expenses for this period totaled $92,521 (2009 - $79,496).

Consulting fees paid or accrued during the quarter for geological consulting services provided by an officer of the Company totaled $13,500, which was capitalized to mineral properties. In 2008, an amount of $13,500 was expensed to operations for such fees.

Wages and benefits were unchanged from the previous year and totaled $20,438 (2009 - $20,406). Management fees were also consistent with the prior year at $19,500.

Office and miscellaneous expenses were $10,928 (2009 - $8,531) and included: office rent of $7,527; bank charges of $1,069; courier costs of $196; office expenses of $572; office insurance of $225; and, telecommunication costs of $1,339. Amortization was recorded at $2,153 (2009 - $977). During the quarter, the Company realized foreign exchange losses of $179, as compared to a $6 gain in the prior year.

Expenditure on travel and promotion totaled $7,180 (2009 - $2,241) during the third quarter of fiscal 2010 ("Q3 2010"). Costs paid during the quarter include $342 (2009 - $180) for website hosting and maintenance, $41 (2009 - $Nil) for email broadcasts and news wire services and $6,797 (2009 - $2,061) for matters related to the Company's 2009 Annual General Meeting of shareholders.

Legal fees of $12,825 (2009 – $378) were incurred during Q3 2010, of which $12,286 related to mineral properties was capitalized. Audit related fees and accruals of $9,499 (2009 - $7,500) were recorded during the period, as the fees for fiscal 2009 were lower than anticipated and resulting in an over-accrual which was carried into fiscal 2010. In the prior year, an amount of $3,250 was paid for the preparation of the Company's annual tax return.

Regulatory and listing fees for the quarter were $1,560 (2009 - $132) and included filings related to the amended stock option plan and repricing of existing stock options. An amount of $1,535 (2009 - $1,279) was paid for transfer agency services rendered.

Stock-based compensation of $48,600 was recorded during Q3 2010 in relation to the grant of 575,000 incentive stock options to directors, officers, employees and consultants of the Company, of which $29,600 was capitalized as mineral property expenditures and $19,000 was expensed as stock based compensation in operations, with a corresponding increase in contributed surplus.

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, 2010 was $964 (2009 - $3,296), the decrease being attributable to reduced funds on hand and lower interest rates.

Nine Months ended January 31, 2010

The Company reported a net and comprehensive loss of $224,262 for the nine month period ended January 31, 2010 compared to a net and comprehensive loss of $235,507 for the same period in the prior fiscal year. General and administrative expenses for this period totaled $226,427 (2009 - $257,673).

Consulting fees paid or accrued during the period for geological consulting services provided by an officer of the Company totaled $40,500 (2009 - $40,500), of which an amount of $31,500 (2009 - $Nil) was capitalized to mineral properties. A further $1,000 was paid to a consultant in the prior year.

Wages and benefits were consistent with those of previous year and totaled $61,336 (2009 - $61,304). Management fees were also consistent with the prior year at $58,500 (2009 - $58,570).

Office and miscellaneous expenses were $31,620 (2009 - $27,153) and included: office rent of $21,111; bank charges of $1,751; courier costs of $322; office expenses of $4,100; office insurance of $675; and, telecommunication costs of $3,661. Amortization was recorded at $3,488 (2009 - $2,932). During the period, the Company realized foreign exchange losses of $4,810, as compared to a gain of $70 in the prior year.

Expenditure on travel and promotion totaled $11,923 (2009 - $17,780). Costs incurred during the period include $902 (2009 - $640) for website hosting and maintenance plus $2,620 for the redesign of the corporate website, meals and entertainment of $35 (2009 - $173), Annual General Meeting expenses of $7,023 (2009 - $7,943), mailings and email broadcast costs of $219 (2009 - $431) and $1,124 (2009 - $40) for news wire services. During the prior year, additional amounts of $6,667 and $1,886 were spent on advertising and travel, respectively.

Legal fees of $24,656 (2009 – $1,698) were incurred during fiscal 2010, of which $23,603 related to mineral properties was capitalized. Audit related fees and accruals of $9,499 (2009 - $34,664) were recorded during the period. An amount of $2,800 (2009 - $3,250) was paid for the preparation of the Company's annual tax return.

Regulatory and listing fees for the period were $6,687 (2009 - $4,049) and related to the filing of San Albino-Murra property option agreement, the 2009 audited financial statements and miscellaneous corporate filings. An amount of $4,214 (2009 - $3,740) was paid for transfer agency services rendered.

Stock-based compensation of $48,600 was recorded during 2010 in relation to the grant of 575,000 incentive stock options to directors, officers, employees and consultants of the Company, of which $29,600 was capitalized as mineral property expenditures and $19,000 was expensed as stock based compensation in operations, with a corresponding increase in contributed surplus.

Investing activities during fiscal 2010 comprised the acquisition of a 4x4 truck for Nicaraguan operations at a cost of $19,262 (2009 - $Nil) and computer equipment valued at $840 (2009 - $Nil).

During the period, $2,497 (2009- $1,104) was spent on property investigation costs during the review of potential property acquisitions, primarily within Canada. None of the properties reviewed were acquired 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 nine months ended January 31, 2010 was $2,165 (2009 - $22,166), the decrease being attributable to reduced funds on hand and lower interest rates.

Trends

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 revenues, income from continuing operations, 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

Following significant falls in 2008 (the notable exception being gold), prices of most metals are now trending upwards.

Gold prices have been on an uptrend for more than three years. The average gold price in 2007 was US$695/oz. Prices dropped below US$800/oz for a two-week period in early September 2008 and since mid-October have remained above US$716/oz. The average price in 2008 was US$871/oz. During 2009, the gold price surged over US$1,000/oz, with an average price of US972/oz and it is expected to remain strong into 2010.

In March 2008, the price of silver peaked at US$20.92/oz. Since that time, the price has dropped off; however, the price of silver has been rising of late as a result of economic uncertainties. During 2007, the average price was US$13.38/oz, as compared to US$14.99/oz in 2008. As at March 30, 2010 the price of silver was quoted at US$17.26/oz.

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

RISKS FACTORS

The Company's principal activity of mineral exploration is considered to be very 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 changes 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 mineral property interests there is no guarantee that the mineral properties 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.

Additionally, turbulent world markets, volatile stock prices, scarcity of capital and falling commodity prices are clear indicators that the economic cycle is currently in a declining phase. In recent months the unprecedented impact of failing financial markets and collapsing commodities markets has been felt worldwide.

LIQUIDITY AND CAPITAL RESOURCES

At January 31, 2010, the Company's primary capital asset was its investment in mineral properties of $678,680 (April 30, 2009 - $Nil). It held cash of $370,298 (April 30, 2009 - $1,182,074), which management believes is sufficient to fund near-term operations. However, additional financing will be required to maintain and progress the San Albino-Murra property. The Company's continuance as a going concern in the future will depend upon its ability to obtain adequate financing.

Subsequent to March 8, 2010, the Company announced a non-brokered private placement, subject to regulatory approval, of up to 5,000,000 units at a price of $0.20 per unit for gross proceeds of up to $1,000,000. Each unit will consist of one common share and one half of one share purchase warrant, with each full share purchase warrant entitling the holder thereof to acquire one additional common share at a price of $0.25 for a period of two years. The proceeds from the placement are intended to be utilized for continued mineral property exploration and general working capital.

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.

On June 29, 2009, the Company announced that it had entered into an option agreement to acquire an initial 80% interest in the San Albino-Murra mining concession in Nicaragua. To January 31, 2010, the Company has expended $584,868 (2009 - $Nil) with respect to the mineral property, comprised of option payments totalling $227,966 and deferred exploration costs of $450,714.

For the nine-month period ended January 31, 2010, the Company experienced negative cash flows of $206,806 (2009 - $227,934) from operating activities. The Company did not undertake any financing activities in either 2010 or 2009. During fiscal 2010, an amount of $20,102 was spent to acquire vehicles and equipment.

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 exploration and subsequent development of mineral property interests depends on the Company's ability to obtain required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fully explore existing and future properties. 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 Company is dependent on raising funds by the issuance of shares or disposing of interests it has in mineral properties in order to finance further acquisitions, undertake exploration and development activities on mineral properties and meet general and administrative expense in both the immediate and long term.

The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing. As at January 31, 2010, the Company has no source of operating cash flows and has not yet achieved profitable operations, has accumulated losses since its inception and expects to incur further losses in the development of its business, and has no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral properties, all of which casts significant doubt as to the validity of the going concern assumption.

The unaudited financial statements do not reflect the adjustments to the carrying values of assets and liabilities, or the impact on the statement of operations 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 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 period ended January 31, 2010, the Company paid or accrued:

(a) management fees of $58,500 (2009 - $58,500) to a Kim Evans, a director and officer of the Company; and,
(b) consulting fees of $40,500 (2009 - $40,500) to Zoran Pudar, an officer of the Company, for the provision of geological consulting services, of which $31,500 (2009 - $Nil) was capitalized to mineral properties.

Included in accounts payable and accrued liabilities is $4,582 (2009 - $Nil) owing to an officer of the Company.

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.

Accounting Policy Developments

i) Convergence with International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of the Company will be May 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonable estimated at this time.

ii) Section 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling interests will replace the former Sections 1581 Business Combinations, 1600 Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 is effective for business combinations for which the acquisition date is on or after January 1, 2011 and Sections 1601 and 1602 apply to consolidated financial statements relating to years beginning on or after January 1, 2011.

iii) During 2009, CICA Handbook Section 3862, *Financial Instruments – Disclosures*, was amended. These amendments are applicable to the Company's annual consolidated financial statements ending on November 30, 2009. The amendments provide for additional disclosure requirements about the inputs to fair value measurements of financial instruments, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

OUTSTANDING SHARE DATA AS AT MARCH 30, 2010:

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	Unlimited	26,939,716

(b) Summary of options outstanding:

Security	Number Granted	Number Exercisable	Exercise Price	Expiry Date
Options	1,625,000	1,625,000	$ 0.20	November 27, 2011
Options	50,000	50,000	0.20	January 11, 2012
Options	575,000	575,000	0.20	November 9, 2014
	2,250,000	2,250,000		

(c) Summary of warrants outstanding: Nil

(d) There are a total of Nil (2009 – 1,252,000) shares subject to an escrow agreement, which will be released in increments of 15% every six months.

OTHER INFORMATION

The Company's web site address is www.goldenreign.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

Internal Controls and Disclosure Controls over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission exempted Venture Issuers, such as the Company, from certifying disclosure controls and procedures, as well as internal controls over financial reporting as of December 31, 2007 and thereafter. The Company is now required to file basic certificates, which is has done during fiscal 2009 and 2010. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under Multilateral Instrument 52-109 as at January 31, 2010.