Golden Reign Resources Ltd.

CONSOLIDATED ANNUALFINANCIAL STATEMENTS

For the year ended April 30, 2015

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Golden Reign Resources Ltd.

We have audited the accompanying consolidated financial statements of Golden Reign Resources Ltd., which comprise the consolidated statements of financial position as at April 30, 2015 and 2014 and the consolidated statements of loss, other comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Golden Reign Resources Ltd. as at April 30, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Golden Reign Resources Ltd.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

August 28, 2015

GoldenReign
RESOURCES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars

As at	April 30, 2015	April 30, 2014
ASSETS		
Current		
Cash	$ 693,257	$ 111,047
Receivables (Note 3)	15,667	7,246
Prepaid expenses	7,214	7,573
Total current assets	716,138	125,866
Equipment (Note 4)	206,233	290,724
Exploration and evaluation assets(Note 5)	27,725,487	23,640,393
TOTAL ASSETS	**$ 28,647,858**	**$ 24,056,983**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities(Note 6)	$ 322,380	$ 540,622
Deferred tax liability(Note 10)	144,000	470,000
Total liabilities	466,380	1,010,622
Shareholders' equity		
Share capital (Note 7)	29,843,342	26,632,309
Reserves - share based(Note 7)	5,652,074	5,461,423
Reserves - translation adjustment	4,005,477	1,457,309
Deficit	(11,319,415)	(10,504,680)
Total shareholders' equity	28,181,478	23,046,361
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 28,647,858**	**$ 24,056,983**

Corporate information and going concern (Note 1)
Subsequent events (Note 14)

On behalf of the Board:

"Kim Evans" Director ***"Bryce Porter"*** Director

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

GoldenReign RESOURCES LTD.

CONSOLIDATED STATEMENTS OF LOSS
Expressed in Canadian dollars

	For the year ended April 30, 2015	April 30, 2014
OPERATING EXPENSES		
Wages and benefits	$ 391,207	$ 383,602
Financing fees (Note 5)	411,787	-
Share-based compensation (Note7)	142,189	146,075
Office and miscellaneous	100,104	105,790
Professional fees	50,573	97,691
Regulatory and listing fees	27,625	21,721
Travel and promotion	18,437	26,976
Depreciation	3,067	3,093
Foreign exchange	1,169	12
OPERATING LOSS	**(1,146,158)**	**(784,960)**
Interest income	5,423	3,762
LOSS BEFORE INCOME TAXES	**(1,140,735)**	**(781,198)**
Deferred tax (expense) recovery (Note 10)	326,000	(155,000)
LOSS FOR THE YEAR	**$ (814,735)**	**$ (936,198)**
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	**112,028,875**	**86,793,105**

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
Expressed in Canadian dollars

	For the year ended April 30, 2015	April 30, 2014
Loss for the year	**$ (814,735)**	**$ (936,198)**
Other comprehensive gain		
Currency translation adjustment	2,548,168	1,711,942
Other comprehensive gain for the year	2,548,168	1,711,942
Comprehensive gain for the year	**$ 1,733,433**	**$ 775,744**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Expressed in Canadian dollars

	Number of shares	Share capital	Reserves - Share based	Reserves -translation adjustment	Deficit	Total Equity
Balance - April 30, 2013	**69,937,412**	**$ 22,907,767**	**$ 5,211,182**	**$ (254,633)**	**$ (9,568,482)**	**$ 18,295,834**
Share issue costs	-	(142,956)	37,466	-	-	**(105,490)**
Shares issued on exercise of warrants	750,000	187,500	-	-	-	**187,500**
Shares issued for exploration and evaluation assets	1,050,000	217,875	-	-	-	**217,875**
Share issued on private placement	22,176,941	3,462,123	-	-	-	**3,462,123**
Share-based compensation	-	-	212,775	-	-	**212,775**
Loss for the year	-	-	-	-	(936,198)	**(936,198)**
Other comprehensive gain	**-**	**-**	**-**	1,711,942	-	**1,711,942**
Balance –April 30, 2014	**93,914,353**	**$ 26,632,309**	**$ 5,461,423**	**$ 1,457,309**	**$ (10,504,680)**	**$ 23,046,361**
Shares issued on private placement	21,333,333	3,200,000	-	-	-	**3,200,000**
Share issue costs	-	(175,605)	-	-	-	**(175,605)**
Shares issued on exercise of warrants	1,244,255	186,638	-	-	-	**186,638**
Share-based compensation	-	-	190,651	-	-	**190,651**
Loss for the year	-	-	-	-	(814,735)	**(814,735)**
Other comprehensive gain	**-**	**-**	**-**	2,548,168	-	**2,548,168**
Balance –April 30, 2015	**116,491,941**	**$ 29,843,342**	**$ 5,652,074**	**$ 4,005,477**	**$ (11,319,415)**	**$ 28,181,478**

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

GoldenReign
RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian dollars

	For theyear ended April 30, 2015	April 30, 2014
OPERATINGACTIVITIES		
Loss for the year	$ (814,735)	$ (936,198)
Items not affecting cash:		
Depreciation	3,067	3,093
Share-based compensation	142,189	146,075
Deferred income tax expense (recovery)	(326,000)	155,000
Changes in non-cash working capital items related to operations:		
Receivables	(8,421)	37,914
Prepaid expenses	1,111	89
Accounts payable and accrued liabilities	(33,659)	677
Cash used in operating activities	(1,036,448)	(593,350)
INVESTING ACTIVITIES		
Acquisition of equipment	(2,398)	(7,498)
Expenditures on exploration and evaluation assets	(2,398,033)	(3,585,931)
Cost recoveries – IVA refunds	795,192	-
Cash used in investing activities	(1,605,239)	(3,593,429)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	3,200,000	3,462,123
Exercise of warrants	186,638	187,500
Share issue costs	(175,605)	(105,490)
Cash generated by financing activities	3,211,033	3,544,133
Change in cash during the year	569,346	(642,646)
Effect of foreign exchange on cash	12,864	1,490
Cash, beginning of year	111,047	752,203
Cash, end of year	$693,257	$ 111,047

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian dollars

Supplemental cash flow information

	April 30, 2015	April 30, 2014
Cash paid during the year for:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash financing and investing activities:		
Issuance of common shares for exploration and evaluation assets	$ -	$ 217,875
Share-based compensation included in exploration costs	48,462	66,700
Depreciation included in exploration costs	67,853	110,329
Exploration costs included in accounts payable	38,128	208,934
Fair value of warrants issued as finders' fees	-	37,466

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

1. CORPORATE INFORMATION 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.* Its principal business activity is the acquisition and exploration of exploration and evaluation assets. The Company is listed on the TSX Venture Exchange ("TSX-V")and under the symbol GRR. The address of the company's corporate office and principal place of business is #501 – 595 Howe Street, Vancouver, BC, Canada.

The Company's primary exploration and evaluation asset is the San Albino-Murra Mining Concession, located in Nicaragua, which is in the advanced exploration stage. Recovery of the carrying value of the investment in exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development and the attainment of future profitable production or the disposition of these assets for proceeds in excess of their carrying values.

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets in Nicaragua. In conducting operations in Nicaragua, the Company is subject to considerations and risks such as the political, economic and legal environments in an emerging market. Among other things, the Company's results may be adversely affected by changes in conditions in Nicaragua, and by changes in governmental policies with respect to mining laws and regulations, and rates and methods of taxation.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has no source of operating cash flows, has not yet achieved profitable operations, has accumulated losses since its inception, expects to incur further losses in the development of its business and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties.

In the future, the Company may 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 favorable to the Company. These consolidated 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. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved by the Board of Directors on August 28, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

The accounting policies set out below have been applied consistently to all periods in these consolidated financial statements.

(c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company's subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases.

All intercompany balances, transactions, income and expenses have been eliminated upon consolidation.

(d) Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those of the Company.

The consolidated financial statements of the Company include the following subsidiaries:

Name of subsidiaries	Place of incorporation	Percentage ownership
Nicoz Resources, S.A.	**Nicaragua**	**100%**
Gold Belt, S.A.	**Nicaragua**	**100%**

(e) Determination of Functional Currency

The financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent company, Golden Reign Resources Ltd., is the Canadian dollar; and the functional currency of the Company's subsidiaries is the US dollar. The presentation currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identifies in IAS 21, "The Effects of Changes in Foreign Exchange Rates".

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(e) Determination of Functional Currency(cont'd…)

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

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

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

(f) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

(i) Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. FVTPL assets are initially recorded at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

(ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Receivables are classified as loans and receivables.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(g) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

(i) Other financial liabilities

The category consists of liabilities carried at amortized cost being the effective interest method. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

(h) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been impacted.

For all financial assets objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principle payments; or
- It has become probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

In a subsequent period if, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(i) Exploration and evaluation assets

Exploration costs prior to obtaining legal title are expensed in the period in which they are incurred. All costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(i) Exploration and Evaluation Assets (cont'd…)

Management reviews the capitalized costs on its exploration and evaluation assets at least annually to consider if there is an impairment value to take into consideration from current exploration results and management's assessment of the exploration results and of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned, or considered to have no-future economic potential, the acquisition and accumulated exploration and evaluation costs are written off to profit or loss. If the carrying value of a project exceeds its estimated value, an impairment provision is recorded.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are tested for impairment and then reclassified to development assets within property, plant and equipment. Costs associated with the commissioning of new assets, in the pre-commercial period before they are operating in the way intended by management, are capitalized, net of any preproduction revenues. Commercial production is deemed to have occurred when management determines certain production parameters are met.

Should a project be put into production, all capitalized costs will be amortized over the life of the project based on estimated economic reserves.

(j) Decommissioning, restoration and similar liabilities

The Company recognizes the liabilities for statutory, contractual, constructive or legal obligations associated with the decommissioning of tangible long-lived assets in the period when the liability arises. The net present value of future rehabilitation costs is capitalized to the long-lived asset to which it relates with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

The Company has no known restoration, rehabilitation or environmental costs related to its exploration and evaluation assets.

(k) Equipment

Equipment is recorded at historical cost less related accumulated depreciation and impairment losses. Cost is determined as the expenditure directly attributable to the asset at acquisition, only when it is probable that future economic benefits will flow to the Company and the cost can be reliably measured. When an asset is disposed of, its carrying cost is derecognized. All repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(k) Equipment (cont'd…)

The Company provides for depreciation of equipment on a straight line basis unless otherwise noted using the following annual rates:

Building	10%
Computer equipment	20% - 50%
Furniture and equipment	30%
Exploration equipment	50%
Vehicles	20% - 50%

Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

When equipment is composed of major components with different useful lives, the components are accounted for as separate items of capital assets. Expenditures incurred to replace an asset component that is accounted for separately, including major inspections and overhaul expenditures, are capitalized.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(l) Share capital

The Company has one class of shares, common shares, which are classified as share capital. These are recorded at the proceeds received less any direct issue costs and related taxes. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Where the Company purchases any of the Company's equity share capital, the consideration paid is deducted from equity attributable to the Company's equity holders until shares are cancelled, reissued or disposed of.

(m) Deferred taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or loss. Current income tax expense represents the expected income tax payable (or recoverable) on taxable income for the period using income tax rates enacted or substantially enacted at the end of the reporting period and taking into account any adjustments arising from prior periods.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(m) Deferred Taxes(cont'd…)

Deferred tax is recorded, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of statement of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(n) Loss per share

The Company presents basic and diluted loss per share data for common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(o) Share-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock option is measured on the date of grant, using the Black- Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to Reserves.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based compensation. Otherwise, share-based payments are measured at the fair value of goods or services received.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(p) Significant accounting judgments and estimation uncertainties

The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statement, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

1. The carrying value and the recoverability of exploration and evaluation assets

   Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

2. Valuation of share-based payments and compensatory warrants

   Share-based payments and compensatory warrants are determined using the Black- Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black- Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

3. Deferred income taxes

   The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant judgment of future taxable profit. Management is required to assess whether it is probable that the Company will benefit from its deferred tax assets. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(p) Significant accounting judgments and estimation uncertainties (cont'd…)

(ii) Critical accounting judgments

Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Company determined the functional currency of its Canadian operations to be the Canadian dollar, and the functional currency of its Nicaraguan operations to be the United States dollar. Determination of functional currency may involve certain judgements to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Capitalization of exploration costs

The determination of the Company's transition from exploration to development requires judgement in determining the timing at which to begin capitalizing development costs and whether future economic benefits, which are based on assumptions about future events and circumstances, may be realized.

(q) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(r) Changes in accounting policies and new accounting pronouncements

New accounting standards and interpretation

The following standards and amendments to existing standards have been adopted by the Company effective April 1, 2014:

These include IAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities, IAS 36 (Amendment) Recoverable Amount Disclosures for Non-Financial Assets, and IFRIC 21 Levies. The Company has adopted these policies and they did not have a significant effect on the financial statements. As required by IAS 34, the nature and the effect of these changes are disclosed below.

The nature and the impact of each new standard are described below:

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendment to IAS 32, Financial Instruments: Presentation, requires that a financial asset and financial liability should only be offset and the net amount reported when an entity has a legal enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Under the amended IAS 36, Impairment, the recoverable amount of a CGU is required to be disclosed only when an impairment loss has been recognized or reversed.

IFRIC 21, Levies

IFRIC 21 clarifies that obligating events giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payments of the levy.

Accounting standards not yet effective

IFRS 7, *Financial Instruments – Disclosure*

IFRS 7 has been amended to require additional disclosures on transition from IAS 39 to IFRS 9 and is effective for annual periods beginning on or after January 1, 2015.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2017.

In May 2015, IASB proposed to defer the effective date to January 1, 2018.

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

3. RECEIVABLES

Receivables consist of the following:

	April 30, 2015	April 30, 2014
HST/GST Receivable	$ 12,728	$ 7,246
Interest Receivable	2,939	-
	$ 15,667	$ 7,246

4. EQUIPMENT

	Building	Computer equipment	Furniture and Equipment	Exploration Equipment	Vehicles	Total
Cost						
Balance at April 30, 2013	**$ 124,901**	**$ 96,850**	**$ 16,688**	**$ 82,697**	**$ 274,771**	**$ 595,907**
Additions and Reclassifications	-	3,772	3,414	603	-	7,789
Disposals	-	-	-	-	-	-
Translation adjustment	11,013	5,707	495	7,290	24,227	48,732
Balance at April 30, 2014	**$ 135,914**	**$ 106,329**	**$ 20,597**	**$ 90,590**	**$ 298,998**	**$ 652,428**
Additions and Reclassifications	-	1,493	949	-	-	2,442
Disposals	-	-	-	-	-	-
Translation adjustment	13,690	7,376	960	9,125	30,118	61,269
Balance at April 30, 2015	**$ 149,604**	**$ 115,198**	**$ 22,506**	**$ 99,715**	**$ 329,116**	**$ 716,139**
Depreciation and impairment						
Balance at April 30, 2013	**$ 22,054**	**$ 40,317**	**$ 13,716**	**$ 33,292**	**$ 121,284**	**$230,663**
Additions and Reclassifications	13,591	16,076	1,356	27,622	54,777	113,422
Disposals	-	-	-	-	-	-
Translation adjustment	1,944	1,814	233	2,935	10,693	17,619
Balance at April 30, 2014	**$ 37,589**	**$ 58,207**	**$ 15,305**	**$ 63,849**	**$ 186,754**	**$ 361,704**
Additions and Reclassifications	17,171	19,671	2,324	18,826	57,187	115,179
Disposals	-	-	-	-	-	-
Translation adjustment	3,789	3,563	428	6,431	18,812	33,021
Balance at April 30, 2015	**$ 58,549**	**$ 81,441**	**$ 18,057**	**$ 89,106**	**$ 262,753**	**$ 509,904**
Carrying amounts						
At April 30, 2014	**$ 98,325**	**$ 48,122**	**$ 5,292**	**$ 26,741**	**$ 112,244**	**$ 290,724**
AtApril 30, 2015	**$ 91,055**	**$ 33,757**	**$ 4,449**	**$ 10,609**	**$ 66,363**	**$ 206,233**

5. EXPLORATION AND EVALUATION ASSETS

(a) San Albino-Murra Property, Nicaragua

The Company acquired an 100% interest in the San Albino-Murra Mining Concession (the "Property") located in Nicaragua by making cash payments of US$1,100,000, incurring aggregate exploration expenditures of US$5,000,000 and issuing 6,100,000 common shares at a value of $2,813,770.

There is no net smelter return, other than that payable to the Nicaraguan government pursuant to existing mining laws.

The San Albino-Murra Property license is valid until February 3, 2027 and may be renewed for another 25 year term.

In July 2014, the Company completed an agreement with Marlin Gold Mining Ltd. ("Marlin") for a US$15.0 million gold streaming arrangement at its San Albino Gold Deposit and surrounding area. Under the arrangement, Marlin's wholly-owned subsidiary, Sailfish Royalty Corp. ("Sailfish") will be entitled to purchase 40% of gold production from the San Albino Gold Deposit at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, until Sailfish recovers US$19,600,000. During this period, the Company will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. Thereafter, Sailfish will be entitled to purchase 20% of gold production at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production plus 50% of the price differential above US$1,200 per troy ounce subject to certain adjustments. Prior to commercial production, Sailfish will be entitled to receive an 8% semi-annual coupon payment on the outstanding balance due from the Company.

The Company incurred financing fees of $411,787 associated with this agreement.

(b) El Jicaro Concession, Nicaragua

In January 2012, the Company paid $119,472 (USD$120,000) to acquire a 100% interest in the El Jicaro Concession, which is contiguous to the San Albino-Murra Property, located in Nueva Segovia, Nicaragua. The El Jicaro Concession license is valid for a period of twenty-five years until September 28, 2033.

5. EXPLORATION AND EVALUATION ASSETS (cont'd…)

For the Year Ended April 30, 2015:

	San Albino-Murra	El Jicaro	Total
Acquisition costs			
Balance, April 30, 2014	$ 4,489,152	$ 131,520	$ 4,620,672
Property purchase	327,703	-	327,703
Translation adjustment	468,294	13,248	481,542
	$ 5,285,149	**$ 144,768**	**$ 5,429,917**
Deferred exploration costs			
Balance, April 30, 2014	18,959,332	29,935	18,989,267
Assaying	50,526	-	50,526
Consulting	44,051	-	44,051
Depreciation	106,806	-	106,806
Field office	246,269	-	246,269
Geological consulting	420,166	-	420,166
IVA Recoveries	(795,192)	-	(795,192)
Professional fees	223,261	-	223,261
Project expenses	555,459	20,929	576,388
Reports	338,609	-	338,609
Share-based compensation	51,073	-	51,073
Travel	29,378	-	29,378
Translation adjustment	2,010,924	4,044	2,014,968
	22,240,662	54,908	**22,295,570**
Balance, April 30, 2015	**$ 27,525,811**	**$ 199,676**	**$ 27,725,487**

For the Year Ended April 30, 2014:

	San Albino-Murra	El Jicaro	Total
Acquisition costs			
Balance, April 30, 2013	$ 3,629,843	$ 120,864	$ 3,750,707
Option payments	291,583	-	291,583
Shares issued	222,076	-	222,076
Cash payment – surface rights	8,058	-	8,058
Translation adjustment	337,592	10,656	348,248
	$ 4,489,152	**$ 131,520**	**$ 4,620,672**
Deferred exploration costs			
Balance, April 30, 2013	**$** 14,288,130	**$** 12,192	**$** 14,300,322
Assaying	468,858	-	468,858
Consulting	5,132		5,132
Depreciation	110,329	-	110,329
Drilling	721,871	-	721,871
Field office	211,853	-	211,853
Geological consulting	762,930	-	762,930
Preliminary cost assessment report	222,663		222,663
Professional fees	73,298	-	73,298
Project expenses	671,315	16,124	687,439
Reports	26,477	-	26,477
Share-based compensation	66,700	-	66,700
Travel	33,259	-	33,259
Translation adjustment	1,326,971	1,619	1,328,590
	18,989,736	**29,935**	**19,019,721**
Balance, April 30, 2014	**$ 23,478,938**	**$ 161,455**	**$ 23,640,393**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		April 30, 2015		April 30, 2014
Accounts payable	**$**	**45,328**	$	240,377
Accrued liabilities		**277,052**		300,245
	$	**322,380**	$	540,622

7. SHARE CAPITAL

Authorized:

Unlimited number of common shares, without par value

See the consolidated statements of changes in equity for a summary of changes in Share capital and Reserves share based for the years ended April 30, 2015 and 2014.

(a) Private placements during the year ended April 30, 2015:

Concurrent with the completion of the gold streaming arrangement in July 2014 (Note 5), Marlin purchased 21,300,000 common shares for $3,200,000. A fee of $160,000 was paid to PI Financial Corp., advisors to Golden Reign.

Private placement during the year ended April 30, 2014:

In December 2013, the Company closed the first tranche of a non-brokered private placement of 2,429,411 units at a price of $0.17 per unit to raise gross proceeds of $413,000. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase an additional common share a price of $0.25. The Company paid finder's fees of $20,850 cash and 28,235 warrants priced at $0.25 per share exercisable for a period of two years. The share purchase warrants were valued at $1,119 and credited to reserves-share based. Fair value was determined using the Black- Scholes valuation model, based on a risk free interest rate of 1.10%, an expected life of two years, an expected volatility of 74.75% and a dividend yield rate of nil. The second and final tranche of the non-brokered private placement of units was closed in March 2014 and comprised 4,349,700 units to raise gross proceeds of $739,449. In connection with the second tranche, the Company paid finder's fees of $7,284 cash and 12,000 warrants priced at $0.25 per share exercisable for a period of two years. The share purchase warrants were valued at $783 and credited to reserves-share based. Fair value was determined using the Black- Scholes valuation model, based on a risk free interest rate of 1.02%, an expected life of two years, an expected volatility of 77.55% and a dividend yield rate of nil.

In June 2013, the Company closed a non-brokered private placement of 15,797,830 units at a price of $0.15 per unit to raise gross proceeds of approximately $2.37 million. Each unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase an additional common share a price of $0.25 for a period of two years. In connection with the offering, the Company paid finder's fees of $45,645 cash and 242,800 warrants priced at $0.25 per share exercisable for a period of two years. The share purchase warrants were valued at $35,564 and credited to reserves-share based. Fair value was determined using the Black-Scholes valuation model, based on a risk free interest rate of1.07%, an expected life of two years, an expected volatility of 80.37% and a dividend yield rate of nil.

7. SHARE CAPITAL (cont'd...)

(b) Share purchase warrants

During the year ended April 30, 2015, the Company amended an additional 4,711,640 share purchase warrants by extending the expiry date to December 31, 2014 and reducing the price to $0.15 if exercised on or before the original expiry date of July 12, 2014 and at a price of $0.25 thereafter until the end of the revised term.

Share purchase warrant transactions are summarized for the years ending as at April 30, 2015 and2014:

	April 30, 2015			April 30, 2014		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Opening balance	26,559,885	$	0.35	11,464,686	$	0.65
Granted	-		0.00	22,459,976		0.25
Exercised	(1,244,255)		0.15	(750,000)		0.25
Expired	(3,605,654)		0.27	(6,614,777)		0.32
Repriced	(4,711,640)		(0.80)	-		-
Repriced	4,711,640		0.15	-		-
Ending balance	21,709,976	$	0.25	26,559,885	$	0.35
Warrants exercisable	21,709,976	$	0.25	26,559,885	$	0.35

At April 30, 2015 and April 30, 2014 the following share purchase warrants were outstanding:

Expiry Date	**Exercise Price**	**April 30, 2015**	**April 30, 2014**	**Weighted Average Remaining Contractual Life**
July 12, 2014	$0.80	-	138,269	-
December 31, 2014	$0.67	-	4,711,640	-
June 4,2015	$0.25	14,647,830	14,647,830	0.10years
June 4, 2015	$0.25	242,800	242,800	0.10years
December 13, 2015	$0.25	2,429,411	2,429,411	0.62 years
December 13, 2015	$0.25	28,235	28,235	0.62 years
March 12, 2016	$0.25	4,349,700	4,349,700	0.87 years
March 12, 2016	$0.25	12,000	12,000	0.87 years
	$0.25	**21,709,976**	**26,559,885**	**0.32 years**

(c) Share options

The Company has a share option plan, under which the Board of Directors is authorized to grant options to employees, directors, officers and consultants, 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 share 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, as established by regulatory authorities, over a twelve month period, with no more than ¼ vesting during any three month period. Vesting provisions for other options are determined by the Company's Board of Directors.

7. SHARE CAPITAL(cont'd...)

(c) Share options (cont'd…)

The following options were outstanding as at April 30, 2015 and April 30, 2014:

	April 30, 2015		April 30,2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	7,814,000	$0.63	6,774,000	$0.70
Granted	-	0.00	1,935,000	0.20
Repriced	(5,310,000)	(0.81)	-	-
Repriced	5,310,000	0.25	-	-
Expired	(475,000)	0.35	(895,000)	0.25
Ending balance	7,339,000	$0.24	7,814,000	$0.63
Options exercisable	7,339,000	$0.24	7,814,000	$0.63

At the Annual General Meeting of Shareholders held on June 26, 2014, an aggregate 5,310,000 share options were re-priced to $0.25. The expected weighted average assumptions used to fair value the repriced share options are risk free interest rate of 1.09%, expected life of options of 2.35 years, expected volatility of 79.90%, and a dividend yield of Nil. There was no additional compensation attributable to the repricing.

Weighted Average Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
0.25	September 20, 2015	909,000	909,000	0.39years
0.25	October 15, 2015	400,000	400,000	0.46years
0.25	October 15, 2015	150,000	150,000	0.46years
0.25	February 7, 2016	1,450,000	1,450,000	0.78 years
0.25	February 15, 2017	1,945,000	1,945,000	1.80 years
0.25	August 8, 2017	1,365,000	1,365,000	2.28 years
0.20	July 15, 2018	1,060,000	1,060,000	3.21 years
0.25	October 16, 2018	60,000	60,000	3.47 years
$ 0.24		**7,339,000**	**7,339,000**	**1.68 years**

(d) Share-based compensation

During the year ended April 30, 2015, the Company recorded share-based compensation totaling $190,651 (2014 - $212,775) of which $48,462 (2014 - $66,700) was capitalized as mineral property expenditures and $142,189 (2014 - $146,075) was expensed as share-based compensation in operations, with a corresponding increase in reserves-share based.

The fair value of share 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:

7. SHARE CAPITAL(cont'd...)

(d) Share-based compensation (cont'd…)

The fair values of the options granted were estimated using the Black- Scholes option pricing model with the following assumptions:

	2015	**2014**
Risk-free interest rate	Nil	1.73 -1.90%
Expected life of options	Nil	5 years
Expected volatility	Nil	103.50 - 106.78%
Weighted average fair value per option	Nil	$0.15
Dividend yield	Nil	Nil

8. RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive), the President, CFO, COO and VP of Exploration. The Compensation paid or payable to key management for employee services is shown below:

	April 30, 2015	**April 30, 2014**
Management & consulting fees (included in E&E assets)	$ 96,000	$ 50,000
Wages	165,600	302,400
Share-based compensation	115,319	103,236
Total	$ 376,919	$ 455,636
Accounts payable due to related parties	$ 2,102	$ 16,044

9. COMMITTMENTS

The Company has entered into an operating lease agreement for its corporate head office premises. The annual lease commitments under the lease are as follows:

2016	$ 55,511
2017	$ 56,565
2018	$ 58,675
2019	$ 58,675
2020	$ 39,116

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2015	2014
Loss for the year before income tax	**$ (1,140,735)**	$ (781,185)
Expected income tax (recovery)	**$ (297,000)**	$ (203,000)
Change in statutory, foreign tax, foreign exchange rates and other	**(321,000)**	157,000
Permanent differences	**37,000**	38,000
Share issue costs	**(46,000)**	(27,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**8,000**	-
Change in unrecognized deductible temporary differences	**293,000**	190,000
Total income tax expense	**$ (326,000)**	**$ 155,000**

The significant component of the Company's deferred tax liability is as follows:

	2015	2014
Deferred Tax Assets (Liability)		
Exploration and evaluation assets	(160,000)	$ (466,000)
Property and equipment	16,000	(4,000)
Net deferred tax liability	**(144,000)**	**$ (470,000)**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2015	2014
Deferred Tax Assets (Liabilities)		
Exploration and evaluation assets	**$ 207,000**	$ 228,000
Property and equipment	**11,000**	9,000
Share issue costs	**78,000**	76,000
Allowable capital losses	**161,000**	161,000
Non-capital losses available for future periods	**1,665,000**	1,356,000
	2,122,000	1,829,000
Unrecognized deferred tax assets	**(2,122,000)**	(1,829,000)
Net deferred tax assets	**$ -**	**$ -**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2015	Expiry date range	2014
Temporary Differences			
Exploration and evaluation assets	$ 756,000	No expiry date	$ 876,000
Equipment	58,000	No expiry date	37,000
Share issue costs	302,000	2034 to 2039	294,000
Allowable capital losses	620,000	No expiry date	620,000
Non-capital losses available for future period	6,404,000	2016 to 2035	5,216,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Fair value

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. The carrying value of receivables and payables and accrued liabilities approximate fair value because of the short-term nature of these instruments.

(b) Credit and interest risk

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

(c) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its short term obligations. The Company forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash flows from operations, dispositions of assets and accessing financing through private placements. The exposure of the Company to liquidity risk is considered to be minimal. Subsequent to April 30, 2015, the Company raised additional funding.

(d) Commodity risk

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

(e) Foreign currency risk

The Company's functional currency is the Canadian dollar; however, its subsidiaries' functional currency is the US dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates and the degree of volatility in these rates. A 1% change in rates would result in a nominal increase / decrease to monetary assets.

12. CAPITAL MANAGEMENT

The Company manages its common shares, stock options, and share purchase warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand and demand deposits. There have been no changes to the Company's approach to capital management during the year ended April 30, 2015.

13. SEGMENTED INFORMATION

The Company operates in the single business segment of mineral acquisition and exploration. The Company's identifiable capital assets are located primarily in Nicaragua. Geographic information is as follows:

	April 30, 2015	April 30, 2014
Equipment		
Nicaragua	$ 197,534	$ 280,451
Canada	8,699	10,273
	206,233	**290,724**
Exploration and evaluation assets		
Nicaragua	$ 27,725,487	$ 23,609,939
Canada	-	-
	$ 27,725,487	**$ 23,609,939**

14. SUBSEQUENT EVENTS

Subsequent to April 30, 2015, the Company:

(a) Announced a warrant incentive program (the "Program") to amend the exercise terms for up to 20,132,666 of its outstanding unlisted common share purchase warrants. The Warrants, each of which was exercisable to purchase one common share of the Company at a price of $0.25 per share, were originally issued by the Company as part of non-brokered unit private placement financings completed in June 2013 and December 2013.

Under the Program, warrant holders could elect to pay $0.05 per warrant in order to extend the expiry date of the warrant to December 31, 2017 and reduce the exercise price to $0.05 per share for a period of 12 months or $0.10 per share thereafter until expiry of the term.

The amended warrants, pursuant to TSX Venture Exchange Policy 4.1, are subject to an accelerated expiry clause whereby during the unexpired term of the warrants:

- if the closing price of the Company's shares is $0.12 or greater for a period of 10 consecutive trading days during the first 12 months or

- from the 13th month through to the December 31, 2017 expiry date, the closing price of the Company's shares is $0.18 or greater for a period of 10 consecutive trading days

The expiry period will be reduced to 30 days, with the reduced exercise period of 30 days beginning no more than 7 calendar days after the tenth premium trading day.

In all, a total of 6,481,155 warrants were amended for gross proceeds of $324,058; and,

(b) Recorded the expiry of 11,033,984 share purchase warrants priced at $0.25.

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year ended April 30, 2015

This Management Discussion and Analysis ("MD&A") of Golden Reign Resources Ltd. (the "Company" or "Golden Reign") provides analysis of the Company's financial results for the year ended April 30, 2015 and should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto for the year ended April 30, 2015, which are available on SEDAR at www.sedar.com. This MD&A is current as at August 28, 2015, the date of preparation.

The April 30, 2015 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

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

GRR Strategy

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

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

Located near the southern end of a 20 kilometre long mineralized trend outlined and defined by Golden Reign as the Corona de Oro Gold Belt, the San Albino Gold Deposit is the first of the five areas slated for potential development by the Company. GRR is seeking to advance the San Albino on an expedited basis with an end goal of achieving production. In July 2014, the Company signed a US$15.0 million gold streaming arrangement with Sailfish Royalty Corp. ("Sailfish"), a subsidiary of Marlin Gold Mining Ltd. ("Marlin"), that covers solely the San Albino Gold Deposit, a 3.5 square kilometre area (the "Marlin AOI") within the Company's 138 square kilometre landholdings.

The remaining four areas, all of which lie outside of the Marlin AOI, are characterized by similar mineralogy, grades and thicknesses as those outlined at San Albino, and offer potential for future development.

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

Current operations

Preliminary Economic Assessment (PEA)

On May 31, 2015, the Company announced the filing of a National Instrument 43-101 ("NI 43-101") compliant technical report for the Preliminary Economic Assessment ("PEA") on its wholly-owned San Albino Gold Deposit. The PEA study was prepared by P&E Mining Consultants Inc. ("P&E") and is based upon an updated mineral resource estimate, open pit and underground mine plan and a 250 tonne per day process plant. The PEA is available on the Company's website (www.goldenreign.com) and SEDAR (www.sedar.com).

The San Albino Gold Deposit is a low tonnage, high-margin gold project with a robust estimated average mined diluted grade of 8.02 g/t AuEq, an after-tax NPV@5% discount of $105.4 million and an after-tax IRR of 37.4%.

The PEA study has progressed the San Albino Gold Deposit to an advanced level that includes metallurgical studies and detailed process opex/capex estimates. Once in production, San Albino will be a low cost gold mine, with a projected All-

In Sustaining Cost (AISC) gold equivalent of just US$464 per ounce – placing it in the lowest quartile in terms of costs in the industry.

Due to its high grade nature and excellent preliminary gold recoveries, the Project shows strong resilience to variances in gold prices, thus mitigating risk.

Mitigating Risk

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

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

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

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

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

1 Subject to a 1% per year cost escalation beginning three years from commercial production.
2 Golden Reign will be required to make minimum monthly payments of US$282,800 per month when commercial production commences. Golden Reign, at its sole discretion, may increase the amount of gold delivered and/or cash payments made to Sailfish in order to accelerate repayment and reduce the payment stream percentage.
3 Subject to a 1% per year cost escalation beginning three years from commercial production, plus 50% of the price differential above US$1,200 per troy ounce subject to certain adjustments.

Under the 250tpd PEA scenario, Sailfish may purchase a maximum of 27,883 ounces of gold at an average price of US$703 per ounce (or a combination of gold ounces and cash) in repayment of the US$19.6 million. Thereafter, Sailfish may purchase an additional 119,174 gold ounces at an average price of US$852 per ounce. Total potential gold stream revenues from Sailfish are estimated at US$121 million, representing 22.3% of total gold production. Golden Reign retains 77.7% (513,151 ounces) of its gold production and over 90% of its revenue, valued at US$1,250 per ounce, which is estimated at US$639 Million plus 100% of the silver ounces produced which, valued at US$19.50 per silver ounce, is an estimated US$20.4 Million that will be applied as a by-product credit.

Sonoran Resources, LLC ("Sonoran") will be the nominated engineering, procurement and construction management ("EPCM") firm that will be responsible for permitting and building the San Albino project. Marlin and the Company shall jointly oversee Sonoran's activities. Sonoran has the management and technical experience required to advance the project to the production stage. Sonoran is one of the few engineering firms that have senior engineers with direct operating experience in Nicaragua.

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

IVA (VAT) Refunds

As at the date of this report, the Company has received refunds of Value Added Tax in the net amount of NIO 18,435,094, equivalent to approximately CAD$795,192, from the Nicaraguan tax authorities. Payments received have been recorded as a recovery of cost associated with the exploration and evaluation costs incurred by the Company on its San Albino-Murra Property.

BUSINESS OVERVIEW

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

Since June 2009, Golden Reign has been focused on its operations in Nicaragua. Along the Corona de Oro Gold Belt, Golden Reign acquired 8,700 hectares, held under a 25 year mining license expiring February 3, 2027. The property has a long history of exploration and mining. There are several old mines and workings within the property boundaries. The San Albino mine, a historical small-scale gold producer, commenced production in the early 1920's and operated on and off until approximately 1940, reportedly processing 10 tons per day of 1 oz/t gold material.

The Company made aggregate cash payments of US$450,000, incurred aggregate exploration expenditures of US$5,000,000 on the property and issued a total of 4,000,000 common shares from its treasury to earn its 80% interest in the property. In October 2012, the Company entered into a further agreement, acquiring the remaining 20% interest in the property by making cash payments totaling US$650,000 and issuing 2,100,000 common shares from its treasury over a period of 12 months.

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

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

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

Nicaragua

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

Exploration and Evaluation Assets

	April 30, 2015	April 30, 2014
Acquisition Costs	$ 5,429,917	$ 4,620,672
Deferred Exploration Costs	22,295,570	18,989,267
	$ 27,725,487	**$ 23,609,939**

For a comprehensive breakdown of exploration and evaluation costs, please refer to Note 7 of the audited consolidated financial statements for the year ended April 30, 2015.

RESULTS OF OPERATIONS

Selected Annual Information

Fiscal Year	2015	2014	2013
Net Sales	Nil	Nil	Nil
Net Loss	$ 814,735	$ 936,198	$ 1,465,554
Comprehensive (Gain) Loss	$ (1,733,433)	$ (775,744)	$ 1,568,547
Basic and diluted loss per share	$ 0.01	$ 0.01	$ 0.02
Total Assets	$ 28,647,858	$ 24,056,983	$ 19,296,608
Total Long-term liabilities	$ 144,000	$ 470,000	$ 315,000
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, 2015, 2014, and 2013 is comprised mainly of general and administrative expenses. The reported net loss for 2015, 2014, and 2013 includes share-based compensation expense of $142,189, $146,075 and $589,024, respectively.

Summary of Quarterly Results

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

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net (loss) gain	$(561,195)	$(138,227)	$(153,276)	$(288,037)	$(138,366)	$(131,758)	$(221,802)	$(289,272)
Comprehensive (loss)gain	$(1,827,421)	$3,231,086	$692,130	$(362,362)	$(893,288)	$1,837,889	$(209,154)	$40,297
Basic and diluted loss per share	($0.01)	($0.01)	($0.00)	($0.00)	($0.01)	$0.00	$0.00	$0.00

Three Months ended April 30, 2015

The Company reported a net loss of $561,195 for the three-month period ended April 30, 2015, as compared to a net loss of $138,366 for the same period in the prior fiscal year. The Company realized decreases in regulatory and listing fees, and travel and promotion, which were offset by an increase in wages and benefits, as compared to the three-month period of the prior year.

General and administrative expenses for the three months ended April 30, 2015 totaled $562,608 (2014 – $138,366) including a foreign exchange loss of $19 (2014 – $466).

Wages and benefits increased slightly in 2015 to $99,997 (2014 - $87,699) and included consulting fees of $10,725 (2014 - $975).

Office and miscellaneous expenses decreased by $535 to $23,133 (2014 - $23,668) and included: bank charges of $311; office expenses of $2,154, office rent of $13,878; telecommunications of $2,341; office insurance of $206; commercial liability insurance of $1,243; and directors' and officers' insurance of $3,000.

Expenditure on travel and promotion totaled $1,611 (2014 - $2,001). Costs paid included meals and entertainment of $105, promotion of $914, email and newswire services of $252 and website creation/maintenance costs of $340.

Professional fees of $14,923 (2014 - $16,408) consisted of an audit accrual of $14,450 (2014 - $15,000) and legal fees of $473 (2014 - $1,408).

Financing expenses of $411,787 (2014 - $Nil) were incurred in relation to the Sailfish agreement.

Regulatory and listing fees for the quarter were $7,244 (2014 - $7,350) for transfer agency services.

During the fourth quarter of fiscal 2015, the Company received a net refund of Value Added Tax in the net amount of NIO 6,145,031.31, equivalent to approximately CAD$265,064, from the Nicaraguan tax authorities. It is the final of the three anticipated installment payments against the VAT claims submitted by the Company.

As the Company is an exploration stage company and does not generate any cash flow, it has no income other than interest income. The Company relies on equity financings for its working capital requirements and to fund its planned exploration activities. Interest income for the three months ended April 30, 2015 was $1,413 (2014 - $Nil). The increase over the same period of the prior year being attributable to greater funds held on account.

Twelve Months ended April 30, 2015

The Company reported a net loss of $814,735 and a comprehensive gain of $1,733,433 for the twelve-month period ended April 30, 2015, as compared to a net loss of $936,198 and a comprehensive gain of $775,744 for the same period in the prior fiscal year. A total of $2,548,168 (2014 – $1,711,942) was recorded as a currency translation adjustment gain.

General and administrative expenses for the twelve months ended April 30, 2015 totaled $1,146,158 (2014 – $784,960) including a foreign exchange loss of $1,169 (2014 – $12). Share-based compensation expense was $142,189 (2014 - $146,075) and related to stock options re-priced during the period.

Office and miscellaneous expenses totaled $100,104 (2014 - $105,790) and included: bank charges of $1,654; courier costs of $1,215; office expenses of $15,326, office rent of $53,578; telecommunications of $9,889; office insurance of $1,470; commercial liability insurance of $4,972; and directors' and officers' insurance of $12,000.

Expenditure on travel and promotion was held to $18,437 (2014 - $26,976). Costs paid included meals and entertainment of $2,592, travel costs of $2,212, promotion of $4,486, AGM expenses of $6,780; email and newswire services of $807 and website creation/maintenance costs of $1,560.

Professional fees decreased by $47,118 to $50,573 (2014 - $97,691), consisting of audit fees and accruals of $50,100 (2014 - $91,683) and legal fees of $473. In the prior year, legal fees and expenses incurred totaled $6,008.

During fiscal 2015, finance costs totaling $411,787 pertaining to the Sailfish agreement were recorded. There were no such similar costs recorded during the prior fiscal year.

Regulatory and listing fees for the twelve-month period were $27,625 (2014 - $21,722) for corporate filing fees of $22,553 and transfer agency service expenses of $5,072.

During fiscal 2015, the Company received refunds of VAT in the net amount of NIO 18,435,094, equivalent to approximately CAD$795,192, from the Nicaraguan tax authorities. This amount was recorded as a recovery of exploration and evaluation expenditures.

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 twelve months ended April 30, 2015 was $5,423 (2014 - $3,762). The slight increase over the same period of the prior year being attributable to additional funds held on account.

Trends

The Company has been in a growth pattern, actively exploring with a view to developing its San Albino-Murra Gold Property in northern Nicaragua. After acquiring the option on the Property in late June 2009, Golden Reign completed geological mapping and prospecting work throughout the property and an initial drill program at the San Albino Mine, the most advanced prospect. In early 2012, the Company undertook a major trenching program in the Southern District. In April 2012, a definition drilling program was initiated at the San Albino Gold Deposit, completing in July 2012. The Company's initial resource calculation was announced in late November 2012. An independent NI 43-101 technical report and resource estimate was filed in early January 2013. In July 2014, the Company reported an updated NI 43-101 compliant resource at the San Albino Gold Deposit. On May 1, 2015, Golden Reign announced the filing of the Preliminary Economic Analysis and updated mineral resource estimate for its San Albino Gold Deposit.

Volatile market conditions and a scarcity of available financing may affect the Company's planned level of activity and development during fiscal 2016.

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

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

Market Trends

In recent years, the gold price has experienced high levels of volatility. In 2012, the price of gold reached new heights, briefly exceeding US$1,900/oz. More recently it is priced in the range of US$1,150 to US$1,250/oz. Demand for physical gold continues to be good, despite the more recent sell-off of gold ETFs.

Silver is currently trading approximately US$17/oz. There is an industrial demand for silver; however, it is the investment demand that primarily drives its pricing.

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

RISK FACTORS

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2015, the Company's primary capital asset was its investment in exploration and evaluation assets of $27,725,487 (April 30, 2014 - $23,609,939).

It held cash of $693,257 (2014 - $111,047) and had working capital of $393,759 (2014 – negative working capital of $414,756). During the period, the Company issued 21.3 million common shares priced at $0.15 for gross proceeds of $3.2 million. The Company also raised proceeds of $186,638 from the exercise of warrants. Further financing will be required to progress the flagship San Albino-Murra Property and the El Jicaro Concession.

During fiscal 2015, the Company received refunds of Value Added Tax ("VAT") in the amount of NIO 18,435,094, equivalent to approximately CAD$795,192, from the Nicaraguan tax authorities. Payments received were recorded as a recovery of costs associated with the Company's exploration and evaluation costs incurred on the San Albino-Murra Property.

During the twelve-month period, the Company experienced cash outflows of $1,036,448 (2014 - $593,350) from operating activities. Investing activities used cash of $1,605,239 (2014 - $3,593,429), including $2,398,033 (2014 - $3,585,931) spent on the Company's Nicaraguan projects and $2,398 (2014 - $7,498) paid for equipment. Cost recoveries of $795,192 were recorded upon the receipt of VAT refunds. Financing activities realized positive cash flows of $3,211,032 (2014 - $3,544,133). Overall, cash increased by $569,346, as compared to a decrease of $642,646 in the same twelve-month period of the prior year.

Development of the Company's initial operation at the San Albino Gold Mine is anticipated to be funded mainly under the Marlin/Sailfish gold streaming arrangement. However, if capital requirements exceed US$15.0 million additional funds will be required. The Company has been discussing with (1) Sonoran the scheduling of pre-development activities, inclusive of permitting, and development work to be completed under an EPCM contract; as well as (2) Sailfish the advancement of funding under the gold stream arrangement for planned pre-development and development activities.

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

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

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

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

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

SUBSEQUENT EVENTS

Subsequent to April 30, 2015, the Company:

(a) announced a warrant incentive program (the "Program") to amend the exercise terms for up to 20,132,666 of its outstanding unlisted common share purchase warrants. The Warrants, each of which was exercisable to purchase one common share of the Company at a price of $0.25 per share, were originally issued by the Company as part of non-brokered unit private placement financings completed in June 2013 and December 2013.

Under the Program, warrant holders could elect to pay $0.05 per warrant in order to extend the expiry date of the warrant to December 31, 2017 and reduce the exercise price to $0.05 per share for a period of 12 months or $0.10 per share thereafter until expiry of the term.

The amended warrants, pursuant to TSX Venture Exchange Policy 4.1, are subject to an accelerated expiry clause whereby during the unexpired term of the warrants:

- if the closing price of the Company’s shares is $0.12 or greater for a period of 10 consecutive trading days during the first 12 months or

- from the 13th month through to the December 31, 2017 expiry date, the closing price of the Company’s shares is $0.18 or greater for a period of 10 consecutive trading days

the expiry period will be reduced to 30 days, with the reduced exercise period of 30 days beginning no more than 7 calendar days after the tenth premium trading day.

In all, a total of 6,481,155 warrants were amended for gross proceeds of $324,058; and,

(a) recorded the expiry of 11,033,984 share purchase warrants priced at $0.25.

TRANSACTIONS WITH RELATED PARTIES

During the twelve-month period ended April 30, 2015, the Company paid or accrued:

(a) salaries of $120,000 (2014 - $120,000) to Kim Evans, a director and officer of the Company;
(b) salaries of $45,600 (2014 - $22,800) to Michele Pillon an officer of the Company and $Nil (2014 - $63,600) to Janice Craig, a former officer of the Company;
(c) salaries of $96,000 (2014 - $96,000) to Zoran Pudar, an officer of the Company, which was capitalized to mineral properties; and,
(d) consulting fees of $Nil (2014 - $50,000) to Kevin Weston, a former officer of the Company, which was capitalized to mineral properties.

Included in accounts payable and accrued liabilities is a total of $2,102 (2014 - $16,044) due to related parties for expenses. The amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

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

Foreign currency translation and transactions

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

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

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

Financial Instruments and Risk Management

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

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

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

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

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

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

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

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

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

(e) Foreign currency risk
The Company's functional currency is the Canadian dollar; however, its subsidiaries' functional currency however is the US dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates and the degree of volatility in these rates. A 1% change in rates would result in a nominal increase / decrease to monetary assets. The Company has not hedged its exposure to currency fluctuations.

OUTSTANDING SHARE DATA AS AT AUGUST 28, 2015:

(a) Authorized and issued share capital:

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

(b) Summary of options outstanding:

Security	Number	Number Exercisable	Exercise Price	Expiry Date
Options	909,000	909,000	0.25	September 20, 2015
Options	400,000	400,000	0.25	October 15, 2015
Options	150,000	150,000	0.25	October 15, 2015
Options	1,450,000	1,450,000	0.25	February 7, 2016
Options	1,945,000	1,945,000	0.25	February 15, 2017
Options	1,365,000	1,365,000	0.25	August 8, 2017
Options	1,060,000	1,060,000	0.20	July 15, 2018
Options	60,000	60,000	0.25	October 16, 2018
	7,339,000	7,339,000		

(c) Summary of warrants outstanding:

Security	Number	Exercise Price	Expiry Date
Warrants	6,481,155	0.05	December 31, 2017
Warrants	2,117,647	0.25	December 13, 2015
Warrants	28,235	0.25	December 13, 2015
Warrants	2,036,956	0.25	March 12, 2016
Warrants	12,000	0.25	March 12, 2016
	10,675,993		

FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9 Financial Instruments

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

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for the design and operating effectiveness of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in Canada. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and were operating effectively as at April 30, 2015.

DISCLOSURE CONTROLS

Management is also responsible for the design and operation of disclosure controls and procedures to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the design and effectiveness of the Company's disclosure controls and procedures as of April 30, 2015 and have concluded that these controls and procedures are effective.

OTHER INFORMATION

For additional disclosures concerning the Company's general and administrative expenses and exploration and evaluation assets, please refer to the consolidated financial statements for the year ended April 30, 2015, which are available on the Company's website at www.goldenreign.com or on SEDAR at www.sedar.com.