GOLDREA RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Months ended January 31, 2014 and 2013.

This management's discussion and analysis ("MD&A") was prepared as of March 31, 2014 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto for the periods ended January 31, 2014 and 2013 and the Company's audited consolidated financial statements and notes thereto for the for the years ended July 31, 2013 and 2012. These consolidated accounts, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ('IFRS") and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting.* All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect the Company management's expectations or beliefs regarding future events and include, but are not limited to, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

For more information, visit the Company's website at www.goldrea.com or at www.sedar.com.

1.1 Overall performance

Description of business

Goldrea Resources Corp., ("the "Company") was incorporated under the provisions of the Business Corporations Act (British Columbia) on March 2, 1981, and is an exploration stage company engaged in the acquisition, exploration and development of mineral properties. In addition to the Company's ongoing work program on the properties, it continues to actively evaluate new potential projects. The Company is listed for trading on the TSX Venture Exchange under the symbol "GOR".The Company is engaged in the business of exploring, acquiring, and if warranted, developing mineral properties and placing such properties into production. The Company currently holds interests in several resource properties as follows:

1. British Columbia – Crowrea/Empress
2. British Columbia –Dobbin I
3. British Columbia – Tadpole (Dobbin II)
4. British Columbia – Flap
5. U.S.A. – Gold Chain Arizona
6. U.S.A. – Gold Rush Arizona

Exploration and development requires significant amounts of capital and even if the funds were available, the outcome is dependent on finding sufficient quantities and grades of minerals, permitting the project, successful dealings with various stakeholder groups, constructing the processing and ancillary facilities and starting commercial production. This process takes time, and many factors including commodity prices, political and economic conditions may change affecting the viability of the projects.

During the quarter ended January 31, 2014, the Company sold its interest in China – Shandong Rushan Goldrea Gold (RGG).

Operations, property interests and activities

The Company's interests are now in Canada (British Columbia); and USA (Arizona). Mineral prospects focus on gold, copper, silver, platinum, palladium, molybdenum, and iron as the major metals of interest.

Constrained by funding, the Company conducted limited exploration activities on its Canadian properties, and also optioned out 60% interests of its US Gold Chain and Gold Rush properties to Sandfield Resources Inc. Sandfield did not make the payments required to earn the 60% interest and the option agreement was terminated in 2013. The Company has reduced the number of claims from 40 to 25.

A summary of the status for each property is as follows:

<u>Nevada Clean Magnesium Inc.(formerly Molycor Gold Corporation) JV, White Rocks Mountain, BC, Canada:</u>

The Company's focus on Goldrea/Nevada Clean Magnesium Inc. JV will entail work on the following contiguous mineral properties as follows (Crowrea/Empress located 15 kms south of the past producing Brenda Molybdenum/Copper Mine near Penticton, BC; Dobbin, Tadpole Lake, and Flap properties located 27 kms northeast of Kelowna, BC) :

i. <u>The Crowrea/Empress Molybdenum Property:</u>

The Company did not perform exploration work on the property in the three months ended January 31, 2014, However, the Company still intends to keep the remaining claims in good standing and plans to conduct further exploration when financial conditions improve.

ii. Dobbin I Platinum/Palladium/Copper property:

The Company has not performed exploration work on the property in the three months ended January 31, 2014, but it still keeps the property in good standing, and will temporarily cease exploration until market conditions improve.

iii. Tadpole Lake Molybdenum (Dobbin II) property:

The Company has not performed exploration work on the property for three the Three Months, but it still keeps the property in good standing, and may try to option the property to a third party.

iv. Flap Gold property:

The Company did not perform exploration work on the property in the three months ended January 31, 2014, but it still keeps the property in good standing, and will temporarily cease exploration until market conditions improve.

Gold Chain and Gold Rush Claims, Mohave County, Arizona, U.S.A.:

In December 2010, the Company entered into an option agreement with Sandfield Resources Inc. where Sandfield will incur $500,000 of exploration expenditures on the Gold Chain and Gold Rush properties in the next three the Three Months, as well as pay the Company $60,000 ($40,000 paid) in cash and issue 300,000 (100,000 issued) of Sandfield's common shares to earn a 60% interest in the properties. The arrangement releases the Company of cash expenditures to be incurred in the US properties in the short term. The Company received total payments of $40,000 in December, 2011. According to the option agreement, Sandfield will be responsible to maintain the mineral claims in good standing during the option period, and it has paid the annual BLM fees in August, 2012. Sandfield did not make the payments required to earn the 60% interest, and the option agreement was terminated in 2013. The Company has reduced the number of claims from 40 to 25.

1.2 Results of operations

Six months ended

The Company recorded a net loss of $40,561 for the six months ended January 31, 2014 compared to a net loss of $230,126 for the six months ended January 31, 2013.

Expenses were $216,310 compared to $102,631 for the same period of 2013. Consulting fees were $62,884 for the six months ended January 31, 2014 compared to $nil in the same period in 2013. This increase is mainly due to fees paid to senior management and directors of the Company. Office and administration expenses were $59,538 in the six months ended January 31, 2014 (Consisting of administrative costs of $39,697, bank charges of $12,061, and office expenses of $7,780) compared to $52,534 in the 2013 (Consisting of administrative expenses of $33,279, bank charges of $347, and office expenses of $18,908) The increase in bank charges is due to non-deductible interest and penalties assessed by local tax authorities for late filing of tax returns. Professional fees were $84,590 (Consisting of accounting and audit fees of $80,643 and legal fees of $3,947) in the six months ended January 31, 2014 compared to $40,000 (Consisting of accounting and audit fees of $40,000 and legal fees of $nil) in 2013.

Other items included a foreign exchange loss of $1,276 in the six months ended January 31, 2014 compared to a loss of $71,734 in the six months of 2013.

1.2 **Results of operations, continued**

Three months ended

During the quarter ended January 31, 2014 the Company recorded net income of $65,945 or $0.001 per share, compared to a consolidated net loss of $132,642 or $0.002 per share for the quarter ended January 31, 2013.

For the three months ended January 31, 2014 expenses were $108,940, compared to $68,213 in the same quarter of 2013. Consulting fees were $35,757 in the current quarter, and were mainly related to fees paid to senior management and directors of the Company compared to $Nil in the same quarter of last year.

Office and administration expenses were $15,822 in the 2014 quarter (Consisting of administrative costs of $4,375, bank charges of $11,421, and office expenses of $25) compared to $41,690 in the 2013 quarter (Consisting of administrative expenses of $33,000, bank charges of $166, and office expenses of $8,524) The increase in bank charges is due to non-deductible interest and penalties assessed by local tax authorities for late filing of tax returns. Professional fees were $50,481 (Consisting of accounting and audit fees of $47,342 and legal fees of $3,139) in the 2014 quarter compared to $20,000 (Consisting of accounting and audit fees of $20,000 and legal fees of $nil) in 2013.

Other items included a foreign exchange loss of $2,070 in the current quarter compared to $8,606 in the 2013 quarter.

Disposition of Chinese Subsidiaries

On December 24, 2013, the Company announced that an agreement was reached to sell its interest in the Rushan Goldrea Gold property (“RGG”) for a total of $1.5 million CDN to Xuguang Su.(“the Purchaser”)

Under the terms of the Agreement, the Company agreed to sell to an arm’s length party 100% of the issued and outstanding shares of Gold Frame Holdings Ltd. (“Gold Frame”), a wholly owned subsidiary which holds the Company’s Rushan Daye Gold project indirectly.

The Company received $500,000 as “good faith” payment, on June 19, 2013. After the closing of this agreement the Company received $1 million from the Purchaser to complete the transaction.

From these proceeds the Company paid the following;

- $220,080 CDN in fees to complete the sale of RGG (this includes Goods and Services Tax of $10,480, and $29,200 in previous fees owing)
- The Company also repaid a loan of Rmb 1,200,000 (CDN $185,217) borrowed from Chinese investors in March 2013

On March 17, 2014 the Company received regulatory and shareholder approval to complete this transaction.

The Company recorded a gain of $175,175 in the current quarter from the sale of China – Shandong Rushan Goldrea Gold (RGG).

1.3 **Summary of quarterly results**

	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	Jan 31, 2014	Oct 31, 2013	July 31, 2013	Apr. 30, 2013
Net Income (Loss)	$ 65,945	$ (106,506)	$ (141,127)	$ (90,579)
Loss per-share (basic and diluted)	0.001	(0.001)	(0.002)	0.000
	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	Jan. 31, 2013	Oct 31, 2012	Jul. 31, 2012	Apr. 30, 2012
Net loss	$ (132,642)	$ (97,478)	$ (6,826,882)	$ (215,768)
Loss per-share (basic and diluted)	(0.001)	(0.001)	(0.090)	(0.003)

1.4 **Liquidity and solvency**

The Company had no revenue in the six months ended January 31, 2014. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and increasing of accounts payable As at January 31, 2014, the Company had cash and cash equivalents of $455,149.

Cash flow from operations for the three months ended January 31, 2014 was a net cash outflow of $174,622, compared to net cash outflow of $27,627 in the same three months of last year. In the six months of 2014, cash flow from operations was an outflow of $277,914 compared to an outflow of $67,686 in the same six months of last year.

Investing activities were $568,156 in the second quarter of 2014, representing the final payment for the sale of Shandong Rushan Goldrea Gold (RGG). In the same quarter of last year investing activities were an outflow of $22,622, which included $20,155 for mineral property and exploration and evaluation assets, For the six months of 2014, investing activities were an inflow of $562,192, compared to an outflow of $44,067 in the same period of 2013.,

Financing activities were $Nil for the three months ended January 31, 2014 compared to $26,985 from the issuance of shares In the three months of 2013, In the six months of 2014 financing activities were $Nil compared to $121,635 from issuance of shares in the same period last year.

As at January 31, 2014, the Company had cash of $455,149. The Company's working capital was $263,375. The financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since inception. The Company has insufficient cash resources to meet its current obligations and planned expenditures and is in the process of seeking additional financing. The ability of the Company to continue as a going concern depends upon its ability to raise adequate financing to pursue its business objectives and develop profitable operations. There can be no assurance that the Company will be able to continue to raise funds, in which case, the Company may be unable to meet its obligations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in the financial statements.

1.5 Off-balance sheet arrangements

As of the report date, the Company has no material off-balance sheet arrangements.

1.6 Transactions with related parties

Amounts due to and from officers, directors and companies with common directors are interest free, unsecured and have no specified terms of repayment. They have arisen from the provision of services and expense reimbursements or advances.

The Company has directors and officers in common with American Manganese Inc. (formerly Rocher Deboule Minerals Corp.,) (American Manganese).

Related party balances are as follows:

		31-Jan-14		31-Jul-13
Due from directors and officers of the Company	$	5,241	$	5,748
Total due from related party	$	5,241	$	5,748
Due to American Manganese Inc.	$	(18,002)	$	(167,603)
RGG accounts payable to Daye Gold Mine		-		(3,124,354)
Total due to related party	$	(18,002)	$	(3,291,957)

During the six months ended January 31, 2014:

- $30,000 was paid to James Elbert, President and CEO for management fees, and $15,000 was paid to Larry Reaugh, Director, for consulting fees.

The above transactions were in the normal course of business and were measured at the exchange amount which is the amount agreed to by the related parties.

1.7 Recent Accounting Pronouncements

The following IFRS standards have been recently issued by the International Accounting Standards Board (“IASB”): IFRS 9 - Financial Instruments, IFRS 10 – Financial Statements and IFRS 13 - Fair Value Measurement. The Company is assessing the impact of these new standards, but does not expect them to have a significant effect on the financial statements.

(a) IFRS 9, Financial Instruments

IFRS 9, Financial Instruments (“IFRS 9”) was issued by the IASB on November 12, 2009, and will replace IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized costs or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

(b) IFRS 10, Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements (“IFRS 10”) provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on August 1, 2013 and is currently evaluating the impact on its consolidated financial statements.

(c) IFRS 12, Disclosure of Interests in Other Entities

IFRS 12, ‘Disclosure of Interests in Other Entities’ was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Company does not expect this standard to have a significant impact on the financial statements.

(d) IFRS 13, Fair Value Measurement

IFRS 13, Fair Value Measurement (“IFRS 13”) was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

(e) IAS 1 - Presentation of Financial Statements:

IAS 1 - Presentation of Financial Statements requires an entity to group items presented in the statement of other comprehensive income on the basis of whether they may be reclassified to profit or loss subsequent to initial recognition. For those items presented before tax, the amendment to IAS 1 also require that the tax related to the two separate groups be presented separately.

1.7 Recent Accounting Pronouncements, continued

(f) IFRIC20 - Stripping Costs in the Production Phase of a Surface Mine

IFRIC 20 was issued in October 2011. IFRIC 20 clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (*i*) usable ore that can be used to produce inventory, and (*ii*) improved access to further quantities of material that will be mined in future periods. This IFRIC will have no material impact on the Company's financial statements.

1.8 Risks and uncertainties

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors; including management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfill the Company's obligations under any applicable agreements. Other uncertainties include currency and metal price fluctuations, permits and licences, environmental regulatory requirement changes, mineralization estimates, and political risks.

Competitive industry

Mining industry is intensely competitive and the company will compete with other companies that have far greater resources.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of gold, molybdenum, or any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent periods, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Permits and licences

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

1.8 **Risks and uncertainties, continued**

Environmental regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Estimates of mineral resources may not be realized

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. The Company has engaged expert independent technical consultants to advise it with respect to mineral resources and project engineering, among other things. The Company believes that those experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays and increased costs in developing its properties.

Dependence on key personnel

The Company is dependent on the services of its senior management, including James Elbert, its President and Chief Executive Officer, and Larry Reaugh, a director of the Company, and a small number of other skilled and experienced employees and consultants. The loss of any such individuals could have a material adverse effect on the Company's operations.

1.8 Risks and uncertainties, continued

The following are the risks related to the Company's financial instruments:

a. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank guaranteed investment certificates and amounts receivable. Cash and investments are with Schedule 1 banks or equivalent, with majority of cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The credit risk in amounts receivable is considered low by management as they consist primarily of amounts owing from government authorities in relation to HST refunds and other receivables which are not considered past due.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to assist in determining the funds required to support normal operating requirements on an ongoing basis, including capital development and exploration expenditures. This process resulted in the decision in October 2008 to enter into a service agreement with Daye Gold Mine for the underground operation of Golden Rose Shaft. As at January 31, 2014, the Company had a cash and cash equivalent balance of $455,149 (July 31, 2013 - $170,871) to settle accounts payable and accrued liabilities of $244,180 (July 31, 2013 - $3,775,696). Accounts payable and accrued liabilities are due within the current operating period. See note 1 of the consolidated financial statements under Going Concern.

c. Market risk

The Company's primary market risk is in the areas of metal prices and foreign exchange risk on financial instruments in other than Canadian dollars. At January 31, 2014, the Company had no hedging agreements in place with respect to metal prices or exchange rates:

(*i*) Commodity price risk:

The value of the Company's primary mineral property is dependent on the price of gold and the outlook for this metal. The value of exploration stage gold and molybdenum properties is also dependent on the price of gold and molybdenum and the outlook for these metals.

Market prices for these metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control including but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators, as well as certain other factors related specifically to gold.

The profitability of the Company's primary property is highly correlated to the market price of gold. If gold prices decline for a prolonged period below the cost of production it may not be economically feasible to continue towards production.

The Company has not entered into any hedging or commodity based risk instruments.

1.8 **Risks and uncertainties, continued**

(ii) Currency risk:

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company has offices in Canada, and the United States, and holds cash in Canadian and United States currencies in line with forecasted expenditures. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar could have an effect on the Company's results of operations, financial position or cash flows. At January 31, 2014 the Company had no hedging agreements in place with respect to foreign exchange rates.

Based on the net currency rate exposures as of January 31, 2014, and assuming that all the other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $21,276 cash balance.

(iii) Equity price risk:

Equity price risk arises from available-for-sale equity securities. The Company's exposure at January 31, 2014 was $20,358. The shares are publicly traded, market-prices are readily available, and their carrying value is equal to the market value at January 31, 2014.

(iv) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents contain highly liquid investments that earn interest at market rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are presently low, however this conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the consolidated financial statements.

1.9 **Outstanding share data**

As of the report date, the Company has 75,379,252 common shares outstanding, as well as options to purchase 3,100,000 common shares at the price of $0.14 exercisable before and on February 24, 2015. The Company also has 12,018,000 outstanding share purchase warrants with exercise prices between $0.05 and $0.10 per share expiring at various dates between October 25, 2014 and November 5, 2014. On a fully diluted basis, therefore, the Company has 90,497,252 common shares outstanding.

1.10 **Subsequent Event**

Subsequent to the end of the quarter, the Company received shareholder and regulatory approval for the sale of the interest in Shandong Rushan Goldrea Gold (RGG).

1.11 **Approval**

The Board of Directors of the Company has approved this Management Discussion and Analysis. Additional information is available on the Company's website, www.goldrea.com, or on the SEDAR website, www.sedar.com.