GRANDVIEW GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

MAY 31, 2013

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Grandview Gold Inc. ("Grandview" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2013. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements for the years ended May 31, 2013 and 2012, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as at July 12, 2013, unless otherwise indicated. The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at **www.sedar.com**.

Special Note Regarding Forward-Looking Information

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements"), which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects; the focus of capital expenditures; the Company's goal of creating shareholder value by concentrating on the acquisition and exploration of properties that have the potential to contain economic gold deposits; the future price of gold; management's outlook regarding future trends; the purchase, sale or development of exploration properties; exploration and acquisition plans; the Company's acquisition strategy; the criteria to be considered in connection therewith and the benefits to be derived therefrom; the emergence of accretive growth opportunities; the Company's ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets; treatment under governmental regulatory regimes and tax laws; the performance characteristics of the Company's mineral resource properties; title disputes or claims; and realization of the anticipated benefits of acquisitions. Often, but not necessarily always, the use of words such as "anticipate", "believe", "plan", "estimates", "expect", "intend", "budget", "scheduled", "forecasts" and similar expressions have been used to identify these forward-looking statements or variations (including negative 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. These statements reflect management's current beliefs and are based on information currently available to management. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking statements, including any information as to the Company's strategy, plans or financial or operating performance. Forward-looking statements involve significant risks, uncertainties and assumptions and other factors that 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. Important factors that could cause actual results to differ from these forward-looking statements include risks related to general economic conditions in Canada, Peru and globally; the Company's ability to meet its working capital needs in the short and long term; environmental liability; industry conditions, including fluctuations in the price of gold and other metals and minerals; governmental regulation of the mineral resource industry, including environmental regulation; fluctuation in foreign exchange or interest rates; liabilities inherent in mineral exploration; geological, technical and operational problems; failure to obtain third party permits, consents and approvals when required, or at all; stock market volatility and market valuations; and competition for, among other things, capital, acquisition of resources, undeveloped land and skilled personnel. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances other than as required by applicable securities laws. There can be 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.

Description of Business

Grandview is a mineral exploration company focused on creating value for shareholders by exploring and, if warranted, developing properties of merit for the mining of precious metals. It is currently active in the province of Ontario, Canada, and in Peru.

Grandview was incorporated in 1945 and was primarily engaged in the mineral exploration and resource sector up to 1987, when trading of the Company's securities ceased. In November 1998, Grandview invested in Navitrak International, a company involved in high-technology products for global positioning systems (GPS).

Grandview decided to return to mineral exploration and mining during 2004, after putting a new management team in place and identifying an exploration property of merit with a geological report in accordance with National Instrument 43-101 ("NI 43-101").

On June 4, 2013, the Company completed the initial step of filing a Form 15 with the United States Securities and Exchange Commission ("SEC"). The Form 15 filing allows the Company to cease being a reporting issuer with the SEC, commonly known as "Going Dark". Going Dark allowed the Company to cut administrative expenses for auditors, accountants and legal counsel.

Overall Performance

Highlights

- Management is actively pursuing financing, including alternative funding options, needed to meet the Company's ongoing requirements. During the last 12 months, the financial market climate has been very difficult for junior mining companies such as Grandview. In addition, a local community in Peru has not granted permission to the Company to begin exploration or development of the Guilianita property. In June 2011, exploration activity, work commitments and payments under the option agreement (outlined below) were suspended until the local community delivers key surface access rights to allow the Company to carry out advanced exploration and development on the property. To meet the challenges of the current financial market climate, the Company is minimizing its expenditures. As of May 31, 2013, the Company determined that its exploration and evaluation property interests were impaired due to market conditions for junior mining companies and decided to write off its exploration properties in the amount of $5,235,841. The Company does not have expenditures budgeted or planned as at July 12, 2013.

- Effective on February 12, 2013, the shares of the Company commenced trading on the NEX. The Company has voluntarily delisted from trading on the Toronto Stock Exchange effective at the close on February 11, 2013. The Company no longer meets Toronto Stock Exchange minimum listing requirements and also does not meet the requirements of a TSX Venture Exchange Tier 2 company.

  As of February 12, 2013, the Company is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. The symbol extension differentiates NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture Exchange market. The Company is classified as a mining company.

Financial

- At May 31, 2013, the Company had mineral exploration properties at a carrying cost of $nil (May 31, 2012 - $5,225,781). As of May 31, 2013, the Company determined that its exploration and evaluation property interests were impaired due to market conditions for junior mining companies and decided to write off its exploration properties in the amount of $5,235,841. During the year ended May 31, 2013, the Company incurred exploration expenditures of approximately $10,000, down from approximately $657,000 during the year ended May 31, 2012. See "Exploration and Evaluation Property Interests" below.

- At May 31, 2013, the Company had a working capital deficit of $87,524 (May 31, 2012 – $168,570). The Company had $17,187 in cash (May 31, 2012 - $137,752). The decrease in total cash and working capital during the year ended May 31, 2013, was primarily due to general and administration expenditures.

Outlook

For fiscal 2014, the Company plans to continue to search for suitable assets or businesses to acquire or merge with, with a view to maximizing value for shareholders.

Exploration and Evaluation Property Interests

The Company has had limited exploration activity on its exploration and evaluation property interests during the year ended May 31, 2013.

Guilianita Property, Peru

The Company, through its subsidiary Recuperacion Realzada S.A.C., has an option to acquire 100% of the Guilianita property in Ayabaca Province, Piura Department, Peru, through a two-stage option. The option provides the Company with a right to earn an 80% interest in the Guilianita property by: (i) making a cash payment of $20,000 US dollars upon signing the agreement in July 2009, which the Company has done, and by incurring $1.4 million in exploration and development expenditures; and (ii) issuing a total of two million common shares of the Company over a three-year period.

The remaining 20% may be acquired by making an additional payment of US $300,000 and issuing a further 250,000 common shares of the Company prior to the third anniversary date of the agreement.

On August 18, 2012, the Company finalized an amendment (the "Amendment") to the Memorandum. As per the Amendment, the terms of the Memorandum are suspended until an agreement is reached with the local community to grant the Company the necessary rights. At such time that the Company is granted the rights, the terms of the Memorandum will resume. If the Company has not received the rights by May 31, 2013, it will relinquish its interest in the property and will be released from any obligations under the terms of the Memorandum.

During the second quarter of 2013, management organized a trip to visit the local community of San Sebastian to observe firsthand the effects of the new laws on illegal mining. It is clear that illegal mining and processing activities in the region have been significantly reduced and the miners, concession holders and communities are being forced to negotiate agreements that will permit illegal miners to become formalized. This process revolves around concession owners identifying illegal miners on their properties and then working on agreements to "formalize" and continue small-scale mining activities. In conjunction with this process, local communities are being encouraged to grant surface access rights to concession holders and formalized miners. It is under this new regime that the Company believes it is at a critical juncture. The Company's previously submitted proposal has been accepted into the community council register and management believed at that time that a resolution to the surface access rights could be achieved.

As of May 31, 2013, the Company had not received the rights and decided not to proceed with the Guilianita Project, writing off $351,414 of project expenditures.

Red Lake Properties – Loisan, Dixie Lake and Sanshaw-Bonanza in Ontario, Canada

Grandview has a 100% interest in eight mining claims, covering approximately 60 hectares, located in Red Lake, Ontario, Canada (the "Loisan Property").

Grandview has an option agreement with Newmont Mining Corporation (formerly Fronteer Gold Inc.) under which it has earned a 67% interest in the 1,664 hectare Dixie Lake property located in the Red Lake Mining District, Ontario, Canada (the "Dixie Lake Property").

On April 28, 2010, Grandview acquired the final 40% interest in ten (10) unpatented mining claims, located in Red Lake, Ontario (the "Sanshaw-Bonanza Property") from joint venture partner EMCO Corporation S.A. ("EMCO"), and eliminated all net smelter royalties previously due to EMCO under the terms of the original agreement. Grandview now has a 100% interest in the claims. The Company negotiated the acquisition of two additional unpatented mining claims and two patented mining claims, and reduced the net smelter royalty on the Sanshaw-Bonanza Property to 0.375%.

On May 31, 2013, the Company decided not to proceed with exploration on the Red Lake Gold Camp properties and has written-off $4,884,427 of project expenditures.

Impairment

As of May 31, 2013, the Company has determined that its exploration and evaluation property interests are impaired due to market conditions for junior mining companies and decided to write off its exploration properties in the amount of $5,235,841. The Company does not have expenditures budgeted or planned as at May 31, 2013.

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company at May 31, 2013, 2012 and 2011 and for the years ended May 31, 2013, 2012 and 2011.

Description	Year Ended May 31, 2013 ($)	Year Ended May 31, 2012 ($)	Year Ended May 31, 2011 ($)
Total revenues	nil	nil	nil
Total loss (1)	(5,256,875)	(248,817)	(408,907)
Net loss per common share - basic (2)	(0.06)	(0.00)	(0.01)
Net loss per common share - diluted (2)	(0.06)	(0.00)	(0.01)

Description	As at May 31, 2013 ($)	As at May 31, 2012 ($)	As at May 31, 2011 ($)
Total assets	25,257	5,501,613	5,865,572
Total non-current financial liabilities	nil	nil	93,385
Distribution or cash dividends (3)	nil	nil	nil

(1) Loss from continuing operations attributable to owners of the parent, in total;
(2) Loss from continuing operations attributable to owners of the parent, on a per-share and diluted per share basis; and
(3) Declared per-share for each class of share.

- The net loss for the year ended May 31, 2013, consisted primarily of impairment of exploration and evaluation property interests of $5,235,841, uncollected Peruvian value added taxes of $41,027 and general and administrative expenses of $205,007 including professional fees, investor relations, business development and reporting issuer costs, as well as management and consulting services.

- The net loss for the year ended May 31, 2012, consisted primarily of general and administrative expenses of $330,062 including professional fees, investor relations, business development and reporting issuer costs, as well as management and consulting services. These were offset by premium on flow-through shares of $80,667 and interest income of $578.

- The net loss for the year ended May 31, 2011, consisted primarily of general and administrative expenses of $411,585 including professional fees, investor relations, business development and reporting issuer costs, as well as management and consulting services. These were offset interest income of $2,678.

- As the Company has no revenue, its ability to fund its operations is dependent upon its securing financing through the sale of equity or assets. See "Risks and Uncertainties" below.

Selected Quarterly Information

Three Months Ended	Total Revenue ($)	Profit or Loss Total ($)	Profit or Loss Per Share (Basic and Diluted) ($)
2013-May 31	-	187,049 (1)	0.00
2013-February 28	-	(5,330,907) (2)	(0.07)
2012-November 30	-	(64,126) (3)	(0.00)
2012-August 31	-	(48,891) (4)	(0.00)
2012-May 31	-	(122,419) (5)	(0.00)
2012-February 29	-	(36,570) (6)	(0.00)
2011-November 30	-	(7,515) (7)	(0.00)
2011- August 31	-	(82,313) (8)	(0.00)

Notes:

1. Net income of $187,049 consisted of investor relations, business development and reporting issuer costs of $7,833; management and consulting services of $4,500; professional fees of $24,312; office and administration of $76, income tax recovery of $225,000; and impairment of exploration and evaluation property interests of $1,230.
2. Net loss of $5,330,907 consisted of investor relations, business development and reporting issuer costs of $7,158; management and consulting services of $24,500; professional fees of $17,798; office and administration of $5,813; uncollected Peruvian valued added taxes of $41,027; and impairment of exploration and evaluation property interests of $5,234,611.
3. Net loss of $64,126 consisted of investor relations, business development and reporting issuer costs of $28,442; management and consulting services of $14,500; professional fees of $13,487; and office and administration of $7,255.

4. Net loss of $48,891 consisted of management and consulting services of $21,000; investor relations, business development and reporting issuer costs of $12,086; professional fees of $8,356; and office and administration of $7,512. These amounts were offset by interest income of $63.
5. Net loss of $122,419 consisted primarily of professional fees of $82,194; management and consulting services of $12,000; investor relations, business development and reporting issuer costs of $14,047; and office and administration of $14,547. These amounts were offset by interest income of $369.
6. Net loss of $36,570 consisted primarily of professional fees of $1,516; management and consulting services of $6,750; investor relations, business development and reporting issuer costs of $27,153; and office and administration of $1,213. These amounts were offset by interest income of $62.
7. Net loss of $7,515 consisted primarily of professional fees of $47,002; management and consulting services of $40,875; investor relations, business development and reporting issuer costs of $19,234; and office and administration of ($18,866). These amounts were offset by interest income of $63 and premium on flow-through shares of $80,667.
8. Net loss of $82,313 consisted primarily of office and administration of $43,280; management and consulting services of $20,000; investor relations, business development and reporting issuer costs of $13,495; and professional fees of $5,622. These amounts were offset by interest income of $84.

Results of Operations

Year ended May 31, 2013, compared with year ended May 31, 2012

The Company's net loss totaled $5,256,875 for the year ended May 31, 2013, with basic and diluted loss per share of $0.06. This compares with net loss of $248,817 with basic and diluted loss per share of $0.00 for the year ended May 31, 2012. The increase of $5,008,058 in net loss was principally because:

- In the comparative period, premium on flow-through shares income was recognized in the amount of $80,667. There was no such income in the current period.
- This was offset by a decrease in general and administration expenses to $205,007, which was $125,055 lower than the comparable period primarily as a result of the Company reducing its expenses as much as possible to meet its current cash flow challenges.
- The Company recorded impairment charges regarding uncollected Peruvian valued added taxes of $41,027 and exploration and evaluation property interests of $5,235,841. The Company determined that its exploration and evaluation property interests were impaired due to market conditions for junior mining companies. The Company does not have expenditures budgeted or planned as at May 31, 2013. There was no such impairment charge in the comparative period.

Three months ended May 31, 2013, compared with three months ended May 31, 2012

The Company's net income totaled $187,049 for the three months ended May 31, 2013, with basic and diluted loss per share of $0.00. This compares with net loss of $122,419 with basic and diluted loss per share of $0.00 for the three months ended May 31, 2012. The decrease of $309,468 in net loss was principally because:

- The Company incurred general and administration expenses of $37,100 in the latest period, $85,688 lower than the comparable period primarily due to a decrease in professional fees of $57,822 because of decreased corporate activity.

Liquidity and Financial Position

The activities of the Company to date have been financed through equity offerings. During the year ended May 31, 2013, no equity transactions occurred. Management is actively pursuing funding options, including alternative funding options, required to meet the Company's ongoing requirements. There is no assurance that these initiatives will be successful or sufficient. The financial market climate continues to be very difficult for junior mining companies such as Grandview. See "Risks and Uncertainties" below.

At May 31, 2013, the Company had $17,187 in cash (May 31, 2012 - $137,752).

Accounts payable and accrued liabilities increased to $112,781 at May 31, 2013, compared to $107,262 at May 31, 2012.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

As of May 31, 2013, and to the date of this MD&A, all of the cash resources of Grandview are held with one Canadian chartered bank.

The Company has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short term and non-interest bearing.

The Company's use of cash at present occurs, and in the future is expected to occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its exploration properties. To meet the challenges of the current climate in the financial markets, the Company is minimizing its expenditures. The Company's operating expenses are estimated to average approximately $80,000 for fiscal 2014. The $80,000 covers reporting issuer costs, professional fees, management and consulting services, and office and administration expenses. As of May 31, 2013, the Company had $17,187 of cash.

In order to meet future expenditures in the current year and beyond May 31, 2013, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance, and there is substantial doubt, that adequate funding will be available immediately and in the future, or available on terms favourable to the Company. Currently, the Company is deferring certain payments, to the extent possible, until additional financing is completed. The Company is unsure when the financing will be completed.

Related Party Transactions

i) For the year ended May 31, 2013, $45,000 (year ended May 31, 2012 - $112,500) was paid to the President and Chief Executive Officer (Paul T. Sargeant) of the Company for consulting services. Included in this amount was $nil (year ended May 31, 2012 - $61,375) capitalized to exploration and evaluation property interests. Included in accounts payable as at May 31, 2013, is $20,000 (May 31, 2012 - $nil) in relation to consulting services rendered.

ii) For the year ended May 31, 2013, $nil (year ended May 31, 2012 - $21,000) in consulting fees was paid or accrued to the former Chief Financial Officer (Ernest Cleave) or a company controlled by him.

iii) For the year ended May 31, 2013, $54,819 (year ended May 31, 2012 - $47,031) in consulting and professional fees was paid or accrued to the current Chief Financial Officer (Carmelo Marrelli) or a company (Marrelli Support Services Inc.) controlled by him. Included in accounts payable as at May 31, 2013, is $23,760 (May 31, 2012 - $2,471) in relation to consulting and professional services rendered.

iv) For the year ended May 31, 2013, $2,920 (year ended May 31, 2012 - $300) in filing fees was paid or accrued to a company controlled by the current Chief Financial Officer (Carmelo Marrelli) or a company (DSA Filing Services) controlled by him. Included in accounts payable as at May 31, 2013, is $2,857 (May 31, 2012 - $nil) for filing services rendered.

There was no other remuneration of directors or key management personnel (determined to be the Chief Executive Officer and Chief Financial Officer) for the year ended May 31, 2013 (2012 - $nil), except as noted above. The Board of Directors and select officers do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services. Amounts payable to the related parties as disclosed above, are unsecured, non-interest bearing and are due on demand.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have a current or future effect on its results of operations or financial condition, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Proposed Transactions

The Company continues to evaluate properties and corporate entities that it may acquire or form other joint ventures or similar arrangements with in the future.

Change in Accounting Policies

New Accounting Standards and Interpretations

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 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 cost 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. 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, 2015, with earlier adoption permitted. The Company is assessing the impact of IFRS 9 on its financial statements.

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs (special purpose entities) within the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). IFRS 10 is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impact of IFRS 10 on its financial statements.

IFRS 11 Joint Arrangements ("IFRS 11")

IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures do not have the choice between equity accounting or proportionate consolidation; these entities must now use the equity method.

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation will collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 and IAS 36 Impairment of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impact of IFRS 11 on its financial statements.

IFRS 12 Disclosure of interests in other entities ("IFRS 12")

IFRS 12 was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off-balance-sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impact of IFRS 12 on its financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13")

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. The Company is assessing the impact of IFRS 13 on its financial statements.

IAS 1 Presentation of financial statements ("IAS 1")

IAS 1 was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company is assessing the impact of IAS 1 on its financial statements.

IAS 28 Investments in Associates and Joint Ventures ("IAS 28")

IAS 28 was issued by the IASB in May 2011 and supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 defines significant influence as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. IAS 28 provides guidance on how the equity method of accounting is to be applied and also prescribes how investments in associates and joint ventures should be tested for impairment. The amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impact of IAS 28 on its financial statements.

IAS 32 Financial Instruments: Presentation ("IAS 32")

IAS 32 was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. The Company is assessing the impact of IAS 32 on its financial statements.

Capital Management

The Company considers its capital structure to consist of share capital, warrant reserve, equity settled share-based payments reserve and accumulated deficit. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its exploration and evaluation property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business.

The Company is currently in the exploration and evaluation stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration program and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so. Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value; and
iii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient potential and if it has adequate financial resources to do so.

There were no changes in the Company's approach to capital management during the year ended May 31, 2013. The Company is not subject to externally imposed capital requirements.

Financial Instruments

The Company's financial instruments consist of:

Description	May 31, 2013 $	May 31, 2012 $
Cash	17,187	137,752
Short term investments	nil	25,537
Sundry receivable	nil	3,010
Accounts payable and accrued liabilities	112,781	107,262

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company has more exposure to credit risk associated with cash, short term investments and sundry receivable. Cash and short term investments are held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal.

Management believes that the credit risk concentration with respect to financial instruments included in sundry receivables is minimal.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2013, the Company had a cash and short term investments balance of $17,187 (2012 - $163,289) to settle current liabilities of $112,781 (2012 - $107,262). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is currently searching for financing alternatives.

In light of the Company's current cash levels, management is reducing its expenditures until financing events are realized.

Market Risk

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and commodity prices.

(a) Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its bank.

(b) Foreign Currency Risk

The Company funds most operations, exploration and administrative expenses in Peru on a cash call basis using the Peruvian sol or US dollars converted from its Canadian dollar bank accounts held in Canada. The foreign exchange risk derived from currency conversions is negligible. The Company does not hold significant balances in foreign currencies and so does not hedge its foreign exchange risk.

(c) Price Risk

The Company is not exposed to price risk with respect to commodity prices because it is in the exploration and evaluation stage and does not earn revenues. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold to determine the appropriate course of action to be taken by the Company in the future.

Sensitivity Analysis

As of May 31, 2013 and 2012, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short term nature.

The sensitivity analysis shown in the notes below may differ materially from actual results.

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

(i) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of gold. Gold has fluctuated widely in recent years. There is no assurance that, even if commercial quantities of gold are produced in the future, a profitable market will exist for gold. A decline in the market price of gold may also require the Company to reduce its exploration and evaluation property interests further, which could have a material and adverse effect on the Company's value. As of May 31, 2013 and 2012, the Company was not a gold producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Share Capital

The Company is authorized to issue an unlimited number of shares. As of the date of this MD&A, the Company had outstanding 81,163,032 common shares, and 2,900,000 stock options.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

History of Losses

The Company is a junior mining, exploration and development corporation with no producing properties. There is no assurance that any of the properties the Company now has or may acquire or obtain an interest in will generate earnings, operate profitably, or provide a return on investment in the future.

Mining Industry Risks

The operations of the Company are speculative due to the high-risk nature of its business, which involves the acquisition, exploration and development of mining properties and opportunities. Accordingly, the following risks in particular should be considered:

(a) The acquisition of, exploration for and development of mineral deposits is an extremely speculative venture involving a high degree of risk. Even a combination of careful evaluation, experience and knowledge may not eliminate such risk. While the discovery of an ore body may result in substantial rewards, very few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, and the inability of the Company to obtain suitable machinery, equipment or labour are all risks involved with the conduct of exploration programs and the operation of mines. Substantial expenditures may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site, and additional financing may be required. It is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation or venture. The decision as to whether a particular property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) metal prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; and (v) availability and cost of additional funding. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company's not receiving an adequate return on invested capital.

(b) The activities of the Company are to be directed toward the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of economic ore bodies or commercial production thereof.

(c) Depending upon when commercial quantities of ore are found, the Company may or may not have the financial resources at that time to bring a mine into production. The only sources of funding that might be available to the Company at such time may be limited to the sale of equity capital, exploration and evaluation property interests, royalty interests or the entering into of joint ventures, there being no assurances that any of the foregoing forms of funding will be available to the Company.

(d) All phases of the mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that would limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company. In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company is not aware of any material environmental constraint affecting any of its development properties that would preclude the economic development or operation of any specific property.

(e) There is a significant degree of uncertainty attributable to the calculation of mineral deposit estimates and corresponding mineralization grades. Until the mineralized material is actually mined and processed, mineral deposit estimates and mineralization grades must be considered as estimates only. Consequently, there can be no assurance that any mineral deposit estimates or ore-grade information will prove accurate. In addition, the value of mineral deposits may vary depending on mineral prices and other factors. Any material change in ore grades or stripping ratios may affect the economic viability of the Company's projects. Furthermore, mineral deposit estimate information should not be interpreted as any assurance of mine life or of the potential profitability of existing or future projects.

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

(g) The profitability of the Company's operations is significantly affected by changes in the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of mineral commodities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future serious price declines could cause commercial production of a particular mineral property to be impracticable.

(h) The business of mining is generally subject to a number of risks and hazards, including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations, rock bursts, pressures, cave-ins, flooding and periodic interruptions due to inclement or hazardous weather conditions, among several others. Such risks could result in damage to, or destruction of, exploration and evaluation property interests or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability. While the Company may be able to obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are some risks such as certain environmental risks (including potential for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) for which insurance is not generally available or is prohibitively expensive due to excessive premium costs. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or non-compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's earning and competitive position in the future and, potentially, its financial position. Failure to have insurance coverage for any one or more such risks or hazards could have a material adverse effect on the Company, its business, financial condition and results of the operations.

(i) The mineral exploration and mining business is extremely competitive in all of its phases. The Company encounters competition from other companies in connection with its search for and acquisition of mining properties and interests which are producing or capable of producing minerals. Some of the Company's competitors are large, established mining companies with substantial capabilities and greater financial and technical resources than the Company. As a result of this competition, the Company may at any point in time be unable to acquire or develop attractive properties on terms it considers acceptable.

(j) The Company's ability to continue exploration of its properties will be dependent upon its ability to raise significant additional funds in the future. Should the Company not be able to obtain such financing, a portion of its interest in properties may be needed to be transferred to potential joint venture partners, or its properties may be lost entirely.

Early Stage Properties

The Dixie Lake Property, the Loisan Property, the Bonanza Property and the Guilianita Property are in the early or pre-exploration stage only and are each without a known body of commercial ore. There is no certainty that the expenditures made by the Company on the search and evaluation of mineral deposits on either of these or any other properties will result in discoveries of commercial quantities of ore.

Additional Capital

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. The development and exploration of the Company's properties may require substantial additional financing. Failure to obtain such financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If additional financing is raised by the Company through the issuance of securities from treasury, control of the Company may change and security holders may suffer additional dilution.

Dilution

In the event the Company seeks to procure additional financing through the sale and issuance of its securities, or in the event that current common share option or warrant holders exercise their options or warrants, the shareholders of the Company may suffer immediate and substantive dilution in their percentage ownership of the issued and outstanding shares of the Company. As of the date of this MD&A, there were 2,900,000 incentive stock options granted to certain directors, officers, employees and consultants of the Company, pursuant to the Company's 2004 Stock Option Plan, as amended. As of the date of this MD&A, there were 81,163,032 shares of common stock outstanding, meaning that the exercise of all of the existing common share purchase options would result in further dilution to the existing shareholders of approximately 3.6% of the outstanding common shares. Should such common share options be exercised, the increase in the number of common shares issued and outstanding, and the possibility of sales of such shares, may have a depressive effect on the price of the common shares. In addition, the voting power of the Company's existing shareholders will be diluted.

Dependence on Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the Company's relatively small size, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives. The Company's directors and officers, including the Chief Executive Officer and Chief Financial Officer, are currently engaged on a part-time basis.

Absence of Dividends

The Company has no earnings or dividend record. Because it intends to employ available funds for mineral exploration and development, it does not intend to pay any dividends in the immediate or foreseeable future. The future dividend policy will be determined by the Board of Directors.

Potential Volatility of Market Price of Common Shares

The Toronto Stock Exchange has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Company's common shares. In addition, the market price of the common shares is likely to be highly volatile. Factors such as the price of gold, and other minerals, announcements by competitors, changes in stock market analyst recommendations regarding the Company, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the common shares. Moreover, it is likely that during the future quarterly periods, the Company's results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the common shares could be materially adversely affected.

Foreign Operations

The Company has had and may continue in the future to have a portion of its operations located in Peru. As a result, the operation of the Company is exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls, import or export controls, currency remittance, high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange; changing political condition, currency controls; and governmental regulations that may require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Peru or other countries in which Grandview conducts business may adversely affect the operations of the Company. The Company may become subject to local political unrest that could have a debilitating impact on operations, and at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Financial Markets

In addition to the risks outlined above, Grandview has identified the extreme volatility occurring in the financial markets recently as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as safer. Companies like Grandview are considered risk assets and as mentioned above investment in them are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Grandview to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Disclosure Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the audited consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited consolidated financial statements, and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information regarding the Company is available on SEDAR at **www.sedar.com**.