GWR RESOURCES INC

Management's Discussion and Analysis

For the year ended September 30, 2014

The following management discussion and analysis, prepared by management of GWR Resources Inc. (the "Company") as at January 28, 2015, should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2014 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards. Certain statements included or incorporated by reference in this Management Discussion and Analysis ("MD&A") constitutes forward-looking statements or forward-looking information under applicable securities legislation. These forward-looking statements are not guarantees of future performance and involve risk and uncertainties, which could cause actual results to differ materially from those anticipated. The Company expressly disclaims any obligation to update forward-looking statements unless so required by applicable laws.

These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following:

1. capital expenditure programs;
2. development of resources;
3. expectations regarding the Company's ability to raise capital;
4. expenditures to be made by the Company to meet certain work and flow-through commitments; and
5. work plans to be completed by the Company.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

1. the British Columbian legislative and regulatory environment;
2. the impact of increasing competition;
3. unpredictable changes to the market prices for minerals;
4. anticipated results of exploration activities; and
5. the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

1. volatility in the market prices for minerals;
2. uncertainties associated with estimating resources;
3. geological, technical, drilling and processing problems;
4. incorrect assessments of the value of acquisitions;
5. unanticipated results of exploration activities; and
6. unpredictable weather conditions.

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Note that additional information related to the Company is available on SEDAR at www.sedar.com.

1. ***Nature of Operations and Overall Performance***

Description of Business

GWR Resources Inc. is incorporated under the Business Corporations Act (British Columbia) and is listed on the TSX Venture Exchange under the trading symbol "GWQ". The Company is a mineral exploration company whose principle focus is the acquisition, exploration and development of mineral properties. The Company currently has the right to exploration and development of copper and gold properties located in British Columbia. These properties are comprised of approximately 400 square kilometres of contiguous claim groups located approximately 17 kilometres north northeast of Lac La Hache in south central BC. The properties are accessed by approximately 30 kilometres of all-weather logging roads. Lac La Hache is located on BC Highway 97 approximately 65 Kilometres south of Williams Lake, and is well served by rail, road and power infrastructure. Operations on the property may be carried out 12 months of the year. The Company has accumulated the property and conducted exploration since 1988.

Change in Accounting Policy

Effective September 30, 2014, the Company voluntarily changed its accounting policy for exploration and evaluation ("E&E") to recognize these costs in the statement of loss and comprehensive loss in the period incurred, as permitted under IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Previously, all these expenditures were capitalized as exploration and evaluation assets on the Company's statement of financial position. The Company changed its accounting policy as it believes that showing exploration and evaluation expenses separately on the statement of comprehensive income (loss) and in the operation activities section of the statement of cash flows more clearly represents the Company's activities during the periods presented. The change in accounting policy has been applied retrospectively. No change in accounting policy was made with regard to costs of acquiring mineral property licenses or rights which are disclosed as E&E Assets. The Company's accounting policies for these costs are noted below.

Exploration and evaluation licenses

All direct costs related to the acquisition of mineral property interests (E&E Assets) are capitalized into intangible assets on a property by property basis. License costs paid in connection with a right to explore in an exploration area, for a period in excess of one year, are capitalized and amortized over the term of the license.

Exploration and evaluation expenditures

Exploration costs, net of incidental revenues, are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into property, plant and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

Exploration Program and Results

Lac La Hache Project

Exploration expenditures of $128,773 incurred on the Lac La Hache Property during the period consisted primarily of data compilation, computer modeling, and development of the Company's exploration plans and budget. The Company did not have sufficient funds to carry out the exploration plans during the year, but management is confident that the potential for developing a mineral deposit is still strong and that significant further exploration expenditures on the Property are warranted.

Resource Property Interests – Exploration and evaluation expenditures

Activities of the Company for the year ended September 30, 2014 focused on the continuing exploration work on its Lac La Hache property as indicated in the Exploration Program and Results described above.

Exploration and evaluation expenditures incurred during the years ended September 30, 2014 and 2013 are detailed below:

	2014	**2013**
Assays, core preparation and storage	$ -	$ 45,173
Drilling	-	155,745
Equipment rental	-	6,924
Field Supervision	-	185,438
Geological fees	127,313	158,946
Supplies and other	1,460	87,220
Total	**$ 128,773**	**$ 639,446**

Outlook

Over the next year, the Company's main objectives are to finance the Company through an equity raise and continue to assess its exploration project in the Lac La Hache region. The Company believes the property offers excellent copper, gold, silver and magnetite potential and possesses numerous favourable criteria.

SELECTED FINANCIAL INFORMATION

	2014	2013 (Restated)	2012 (Restated)
Net Sales	$Nil	$Nil	$Nil
Income (loss)	$84,618	$(1,161,202)	$(5,741,513)
Basic and diluted income (loss) per share	$0.00	$(0.01)	$(0.07)
Total Assets	$3,456,576	$3,522,246	$4,643,300
Total Long-term liabilities	$Nil	$Nil	$84,328
Cash dividends per common share	N/A	N/A	N/A

2. ***Results of Operations***

During the year ended September 30, 2014 the Company had an income of $84,618 (2013 – loss of $1,161,202). Significant activities during the year were as follows:

- **Management and consulting fees** - $138,170 (2013 - $157,790) primarily as a result of decreased activity and the prior CEO resigning who was paid a fixed monthly fee of $10,000 per month.
- **Exploration and evaluation expenditures** – 128,773 (2013 – $639,446) paid to consultants for work on the Lac La Hache property. Activity on the property has been reduced until a financing is completed.
- **Office and other expenses** - $44,249 (2013 - $53,635) as the Company cut costs in staff, telephone, and travel.
- **Filing and regulatory expenses -** $16,798 (2013 - $23,556) as the Company had minimal activity, regulatory costs have been kept to a minimum.
- **Professional fees** - $7,684 (2013 - $24,203) is primarily made up of audit fees.
- **Share-based payments** - $109,378 (2013 - $145,900). No stock options were granted during the current year.

3. ***Summary of Quarterly Results***

	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014
Total assets	$4,094,812	$4,081,593	$ 4,043,434	$ 3,456,576
Working capital (deficit)	38,433	(123,816)	(113,186)	(235,693)
Shareholders' equity	2,802,184	2,627,765	2,602,227	3,104,266
Income (loss)	(108,076)	(174,429)	(26,902)	394,025
Income (loss) per share	(0.001)	(0.001)	(0.000)	0.003

	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013
Total assets	$4,031,019	$ 3,911,073	$3,615,301	$3,522,246
Working capital	(387,025)	(464,760)	(477,937)	(511,616)
Shareholders' equity	3,925,572	3,186,861	2,621,127	2,910,270
Income (loss)	(612,021)	(126,690)	(224,734)	(197,757)
Loss per share	(0.004)	(0.001)	(0.001)	(0.001)

During the three months ended September 30, 2014, the Company received its BCMETC refund of $1,110,170 less $232,114 in Part XII.6 tax and penalties of $318,981 from the CRA which resulted in a net income.

During the three months ended September 30, 2014 the Company reported an income of $394,025 (2013 – loss $197,757). Significant activities during the period were as follows:

- **Management and consulting fees** - $17,744 (2013 - $41,962) primarily as a result of the former CEO of the Company resigning who was previously paid $10,000 per month.

Liquidity

The Company's historical capital needs have been met by issuance of shares. As at September 30, 2014, the Company's working capital deficiency was $235,693 (2013 – $511,616). The Company proposes to meet any additional financing requirements through equity financing, selling of non-core assets, tax refunds, and other cost reduction measures.

The Company's cash position as at September 30, 2014 was $85,940 (2013 - $26,369). The increase in cash was due primarily to the BCMETC refund from the CRA.

The Company does not have operations that generate cash flow and it is unlikely that it will generate cash flow from operations in the foreseeable future.

Cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements. As of the date of this filing, the Company does not have the adequate funds on hand to complete its planned exploration program for the fiscal year 2015.

The Company is dependent on raising funds by the issuance of shares in order to undertake exploration and development interests and meet general and administrative expenses beyond one year in the future. There can be no assurance that the Company will be successful in obtaining their required financing.

4. ***Capital Resources***

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions and the Company's ability to achieve certain exploration milestones.

Issue and outstanding common shares at September 30, 2014 and as at the date of this report is 149,425,542 (2013 – 149,425,542).

Instruments and Other Instruments

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding:

Cash	Loans and receivables
Amounts receivable	Loans and receivables
Reclamation deposit	Loans and receivables
Accounts payable and other liabilities	Other financial liabilities
Long-term debt	Other financial liabilities

Determination of Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Statement of Financial Position carrying values for: cash; receivables; finance leases; long-term debt; trade payables and other liabilities, approximates fair value due to their short-term or demand nature.

5. ***Related Party Transactions***

Key management personnel comprise of the Chief Executive Officer, Chief Financial Officer, VP of Explorations (paid though holding company GamX Management Inc.) and Directors of the Company. The remuneration of the key management personnel is as follows:

- Included in management and consulting fees was $100,000 (2013 - $134,971) for services provided by the former CEO and former CFO.

- Included in consulting fees as part of exploration costs of $93,056 (2013 - $134,934) for services provided by VP of Exploration.

- Included in consulting fees as part of exploration costs of $24,000 (2013 - $Nil) for services provided by a Director of the Company.

- Recorded share-based payment expense to former CEO for unvested stock options pursuant to a management agreement during the year $109,378 (2013 - $145,900).

An amount of $79,362 (2013 - $231,638) included in accounts payable is due to key management. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

During the year ended September 30, 2014, the Company received an advance of $48,500 from the former CEO of the Company to meet short-term cash requirements. The advance was repaid during the year along with interest of $761. There were no such advances made to the Company during the year ended September 30, 2013.

6. ***Off-Balance Sheet Arrangements***

There is no off-balance sheet arrangement to which the Company is committed.

7. ***Proposed Transactions***

The Company has no specific proposed transactions. However, consistent with the nature of the Company's operations, the Company is continuously reviewing potential mineral property acquisitions and is likely to acquire additional mineral properties in the future.

8. ***Critical Accounting Estimates and Judgements***

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

i. The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

ii. Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Because the Company's warrants have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Critical accounting judgments

i. The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.

ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

9. ***Disclosure Control and Procedures***

Internal Controls and Procedures

The Chief Executive Office and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes accordance with IFRS.

Certain weaknesses exist in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas which existed. The existence of these weaknesses is normally to be compensated by senior management monitoring, which exists. However during the period, the former CEO, who resigned August 4th, 2014, took significant actions that were not in keeping with the Company's internal control policies, and as such there was a lapse in management oversight and monitoring during the period. The officers, which include a new President and CEO appointed October 27, 2014, have re-established appropriate monitoring that will examine very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue will also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action.

Risk Factors

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Exploration and Development - Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability o a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title Risks - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Permitting Risks - The development of mineral resources in British Columbia is subject to a comprehensive review, approval and permitting process involving various provincial and regional agencies, in addition to the various First Nations groups that have jurisdiction in the Company's area of claims. There can be no assurance given for the required approvals and permits for a mining project, even if technically and economically warranted, can be obtained in a timely or cost effective manner.

Fluctuating Metal Prices - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Environmental Regulations, Permits and Licenses - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Competition - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financings - The Company's continued operation will be dependent in part upon its ability procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; and (ii) cash payments received as property option payments from third parties. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities - During recent months, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

10. ***Approvals***

The Board of Directors of GWR Resources Inc. has approved the disclosures contained in the Management Discussion and Analysis for the year ended September 30, 2014, prepared as at January 28, 2015.

11. ***Qualified Person and Information regarding forward looking statements***

The technical disclosures herein have been reviewed and approved Mr. Robert Shives, PGeo, vice-president, exploration to the company and a qualified person as defined in National Instrument 43-101.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. 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. 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 risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While 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. 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. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.