Management's Discussion and Analysis
For the period ended March 31, 2013

The following management discussion and analysis, prepared by management of GWR Resources Inc. (the “Company”) as at June 10, 2013, should be read in conjunction with the Company’s quarterly financial statements for the period ended March 31, 2013 and the Company’s audited financial statements for the year ended September 30, 2012 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 and Quebec 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.

The Company also has an earned interest of 10% in the Sainte Sabine project, a high-potential gold property located within the Bellechasse Mineral Belt in southeastern Quebec. Sainte Sabine is both a gold and gold-polymetallic (Au-Ag-Zn-Cu) property and is located approximately 100 km southeast of Quebec City, within the Beauce region. The property lies immediately along and across strike of several known zones currently being tested by Golden Hope Mines on their Bellechasse Project**.** During the year ended September 30, 2012, the Company wrote-down the carrying value of this project to $Nil, given the drilling results, and the Board decision to focus exploration on the Lac La Hache project.

Exploration Program and Results

Lac La Hache Project

Spout Deposit

Exploration drilling during FY2011-12 continued expansion of the Spout magnetite-copper-gold-silver Deposit with sufficient sampling density to support 43-101 compliant resource calculation. The first-ever 43-101 Resource for the project was reported in April 2012 for the Spout Deposit (North and South Zones) using an Open Pit model and 0.2% Cu equivalent cut-off. The Resource is open to depth and to the east, comprising 7.6 million tonnes in the *Indicated category*, grading 0.28% copper, 0.05 grams per tonne gold, 1.26 grams per tonne silver and 11.4% magnetite, plus 15.8 million tonnes in the *Inferred category*, grading 0.21% copper, 0.04 grams per tonne gold, 0.93 grams per tonne silver and 8.3% magnetite. The metals in both categories are estimated at 120.3 million pounds copper, 32,600 ounces gold, 781,700 ounces silver and 2.2 million tonnes magnetite.

Mineralization at the Spout Deposit extends to surface with thin to no overburden cover. Low strip ratios and very high-grade copper-magnetite concentrations at/near surface offer potential near-term monetization of that part of the resource. In addition, high aeromagnetic survey responses to the magnetite form part of a regional-scale, circular anomaly, offering significant exploration potential for possibly similar deposits elsewhere along the trend. Recognition of this potential prompted the large property expansion in 2012.

Aurizon Prospect

Limited drilling was completed within the subvertical Aurizon South Zone, to extend the strike and to test near-surface extensions from previous, deeper drilling. The gold-rich Aurizon Zones (South and Central) contain multi-gram gold values with associated copper and silver in hydrothermal breccia cutting potassically altered monzonite. A 020 degree trend to these zones, indicated by soil geochemical patterns and by geophysics, was confirmed by drilling. DDH AZS11-29 intersected 8 meters at relatively shallow depth (227-235m down-hole) grading 3.6% copper, 3.4 grams per tonne gold, 19 grams per tonne silver, including 2 meters containing 9.3% copper, 8.4 grams per tonne gold and 48.1 grams per tonne silver. Subsequent drilling within Aurizon South has in-filled and extended the zone another 100 meters to the south, for a total drilled strike length to date of 350 meters. If combined with Aurizon Central Zone, the strike is approximately 600 meters.

Mineralized hydrothermal breccia extends from surface outcrop to 600 meters sub-vertically (approximately 75 degree dip) and remains open to depth. In Aurizon South, metal grades appear to weaken near-surface (within top 100m), but increase at depth. True width varies from a few meters to several tens of meters, and appears to thicken with depth. For example, the 172 meter down-hole interval cut by AZS12-34 represents a true width of approximately 86 meters which averages 0.30 % copper, 0.42 grams per tonne gold, 1.66 grams per tonne silver, with eight 2-meter assays exceeding 1 % copper (maximum is 3.99 % copper over 2 meters).

Exploration

Drill testing along the Peach magnetic trend confirmed that the anomaly occurs inside the Murphy intrusion, offering only low, sub-economic copper concentrations within border phases. To improve drill targeting, high resolution ground magnetic surveys were completed along much of the circular aeromagnetic feature, extending west of Peach, across Spout and northwards. Deep induced polarization (IP) Titan-24 test lines were completed along 3 test lines (15 km total) crossing the historical Peach-Aurizon area, Peach magnetic anomaly and the new M1 magnetic trend. Several interesting known and new IP anomalies were defined, and some remain untested.

To support exploration of the new ground, new geological bedrock mapping was completed by regional geological expert Dr. D. Bailey. This work shows the Murphy intrusion is multi-phased, and that exploration challenges are presented by sparse outcropping, moderate to thick overburden and the presence of post-mineralization, young volcanic rock cover.

Expansion of the Lac La Hache land holdings has added significant and new exploration potential for intrusion-related deposits. These include alkalic porphyry copper-gold-silver and related gold-rich copper bearing structures (similar to the many historical discoveries such as the Aurizon prospects), skarn-type copper-gold-silver hosted outside the intrusions within magnetite-rich zones (similar to Spout Deposit), and a third type not yet discovered within the project but present within calc-alkaline, molybdenum-copper-gold-silver bearing intrusive phases associated with the large Takomkame batholith, represented by the new Woodjam Southeast resource defined by Gold Fields 13 kilometres north of the new property boundary. The predominance of similar rocks on the new ground, within Takomkame and Murphy Intrusions, offers credible potential in multiple areas.

Resource Property Interests – Capitalized Costs

Activities of the Company for the period ended March 31, 2013 focused on the continuing exploration work on its Lac La Hache property as indicated in the *Overall Performance* described above.

Total exploration expenditures in the period ending March 31, 2013 were $518,489. Costs reflected in mineral properties and deferred exploration expenditures for the periods ended March 31, 2013 and the year ended September 30, 2012 detailed below:

Period ended March 31, 2013	**Lac La Hache**	**Total**
	$	**$**
Balance, September 30, 2012	**28,116,913**	**28,116,913**
Assays, core preparation and storage	**44,956**	**44,956**
Drilling	**155,745**	**155,745**
Equipment rental	**6,924**	**6,924**
Field supervision	**84,579**	**84,579**
Geological fees	**144,944**	**144,944**
Supplies and misc	**81,341**	**81,341**
Balance, March 31, 2013	**28,635,402**	**28,635,402**

Year ended September 30, 2012	Lac La Hache	Sainte Sabine	Total
	$	$	$
Balance, October 1, 2011	23,275,684	574,393	23,850,077
Assays, core preparation and storage	228,929	-	228,929
Drilling	1,806,981	587,632	2,394,613
Equipment rental	8,256	-	8,256
Field supervision	179,512	79,863	259,375
Geological fees	803,266	136,993	940,259
Reclamation and clearing	65,090	35,129	100,219
Supplies and misc	87,513	16,699	104,212
Property option costs	1,661,682	-	1,661,682
	4,841,229	856,316	5,697,545
Impairment	-	(1,430,709)	(1,430,709)
Balance, September 30, 2012	28,116,913	-	28,116,913

Overall Performance

To date, the Company has not yet realized profitable operations and has substantively relied on the raising of capital through the issuance of company stock. The Company currently requires additional equity financing to continue business and there can be no assurance that such financing will be available or if available, will be on reasonable terms.

During the six month period ended March 31, 2013, the Company incurred loss before taxes of $220,222 (2012 - $831,149).

At March 31, 2013, the Company had $11,105 (September 30, 2012 – $638,646) in cash, a decrease of $627,541 during the period. The change in cash during the period resulted from:

1. Use of cash by operating activities in the amount of $133,471 (2012 – $320,970). The use of cash in operating activities consists primarily of managements fees, professional fees and employee costs of $140,648 (2012 - $275,478).

2. Use of cash of $481,916 (2012 - $4,205,522) in investing activities. The Company incurred total cash exploration expenditures of $481,465 (2012 - $4,025,672) during the current period incurred on the Lac La Hache property.

3. Decrease in cash from financing activities of $12,154 (2012 – increase of $691,653) as a result of no private placement completed in the quarter and finance costs of the Company's leases.

Outlook

Over the next year, the Company's main exploration objectives are to 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.

2. _Results of Operations_

During the three months ended March 31, 2013 the Company had a net loss of $95,113 (2012 - $207,131). Significant expenses during the period were as follows:

- **Management and consulting fees** - $40,971 (2012 - $65,852) primarily as a result of decreased activity as compared to prior year.

- **General and administrative expenses** - $9,002 (2012 - $73,994) as the Company slowed down operations in 2013 due to poor market conditions and inability to raise funds during the quarter.

- **Professional fees** - $21,913 (2012 - $11,061) is comprised of legal fees and audit fees.

- **Employee costs** - $Nil (2012 - $40,658). The decrease is a reflection of deceased activity in the quarter as compared to prior year.

During the six months ended March 31, 2013 the Company had a net loss of $220,222 (2012 – $831,149). Significant expenses during the period were as follows:

- **Management and consulting fees** - $74,791 (2012 - $146,737) primarily as a result of decreased activity as compared to prior year.

- **Flow-through Part XII.6 tax, penalties** - $Nil (2012 - $162,179 recovery) decreased during the period as no renunciations under the look-back rule occurred during the period.

- **General and administrative expenses** - $18,116 (2012 - $159,853) as the Company slowed down operations in 2013 due to poor market conditions and inability to raise funds during the quarter.

- **Professional fees** - $41,978 (2012 - $53,023) is comprised of legal fees and audit fees. The decrease is based on level of activity within the Company on as added needed basis

- **Employee costs** - $23,699 (2012 - $75,718). The decrease is a reflection of deceased activity in the quarter as compared to prior year.

- **Share-based payments** - $Nil (2012 - $229,013) as no options were granted or vested during the period as compared to prior period.

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

	June 2012	September 2012	December 31, 2012	March 31, 2013
Total assets	$ 29,739,986	$ 30,271,304	$ 30,145,935	$ 30,057,566
Working capital	193,282	215,153	(387,025)	(464,760)
Shareholders' equity	24,335,902	24,995,286	24,870,177	24,775,064
Net loss	(1,488,710)	(218,694)	(125,109)	(95,113)
Loss per share	(0.011)	(0.001)	(0.001)	(0.001)

	June 2011	eptember 2011	December 31, 011	March 31, 012
Total assets	$29,086,739	$30,198,530	$30,766,374	$ 31,630,800
Working capital	5,035,985	4,517,308	4,517,308	454,979
Shareholders' equity	24,011,021	24,711,806	24,711,806	25,626,841
Net loss	(252,328)	(1,004,557)	(1,004,557)	(207,131)
Loss per share	(0.006)	(0.011)	(0.011)	(0.001)

During the three months ended March 31, 2013, the Company continued to focus on development of its Lac La Hache project. Net loss during the three months ended September 30, 2012 was $$218,694 compared to $1,004,557 for the three months ended September 30, 2011 due largely to a deferred tax expense of approximately $702,000 relating to flow-through issuances. The Company also closed a flow-through common share private placement with gross proceeds of approximately $843,000 for the purpose of incurring qualifying exploration costs on its Lac La Hache project.

Liquidity

The Company's historical capital needs have been met by issuance of shares. As at March 31, 2013, the Company's working capital deficiency was $464,760 (September 30, 2012 – surplus of $215,153). The Company proposes to meet any additional financing requirements through equity financing, selling of non-core assets and other cost reduction measures.

The Company's cash position as at March 31, 2013 was $11,105 (September 30, 2012 - $638,646). The decrease in cash was due primarily to continued incurrence of exploration and development expenditures in the amount of $481,465 and funds used in operating activities of $133,471.

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

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. At the date of this report, the Company does not have adequate funds on hand to complete its planned exploration programs.

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 March 31, 2013 was 149,425,542 (September 30, 2012 – 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 and short term deposits	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
Due to related parties	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; mortgage payable; trade payables and other liabilities and amounts due to related parties, approximates fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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

The Company does not have any level 1, 2 or 3 financial instruments as of March 31, 2013.

5. ***Related Party Transactions***

Key management personnel comprise of the Chief Executive Office, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

- Paid or accrued management and consulting fees of $74,971 (2012 - $60,000).
- Recorded share-based payment expense to directors and officers for stock options vesting during the period of $Nil (2012 - $219,163.
- Paid or accrued employee costs of $16,330 (2012 - $217,760).

The amount of $146,053 (2011 - $Nil) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

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***

The Company's discussion and analysis of its financial condition and results of operations, including the discussion on liquidity and capital resources, are based on its financial statements that have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgements that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgements, particularly those related to the determination of the impairment of long-lived assets. Management bases its estimates and judgements on historical experience, contractual arrangements and commitments and on various other assumptions that it believes are reasonable in the circumstances. Changes in these estimates and judgements will impact the amounts recognized in the financial statements, and the impact may be material. Management believes significant estimates and assumptions include those related to the recoverability of mineral properties and deferred exploration expenditures, estimated useful lives of capital assets, determination as to whether costs are expenses or deferred and asset retirement obligations.

Critical accounting estimates used in the preparation of the financial statements include the assumption the Company is a going concern, recoverable value of its mineral properties, and income taxes. These estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

Going concern

The Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced recurring losses, has not generated profitable operations since inception and as at September 30, 2012 has accumulated losses of $21,752,089 since inception. Should the Company be unable to continue as a going concern, the realization of assets may be at amounts significantly less than the carrying values. The continuation of the Company as a going concern is dependent on its ability to obtain additional equity capital to finance existing operations, attaining commercial production from its mineral properties, and attaining future profitable operations. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Mineral resources properties

The Company records its interest in mineral resource properties at cost. Direct costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are deferred until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned.

If the property is placed under production, deferred costs would be amortized over the estimated life of the mineral property. The deferred costs would be written off if the property is sold or abandoned. If it is determined that the carrying value of the property exceeds its net recoverable amount as determined by management, or exceeds the selling value of the property, a provision is made for the decline in value and charged against operations in the year of determination of value.

The amounts shown for mineral resource properties and related deferred costs represent costs incurred to date, less write-offs and recoveries, and do not necessarily reflect present or future values of the particular properties.

Deferred income taxes

The Company uses the asset and liability method of accounting for income taxes whereby deferred income tax assets are recognized for deductible temporary differences and operating loss carry-forwards and deferred income tax liabilities are recognized for taxable temporary differences. Deferred income tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment or substantive enactment. The actual income tax rate that may be in effect at the time future income taxes are realized or deferred income tax liabilities come due will depend upon the income tax rate(s) in effect at the time.

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 to be compensated by senior management monitoring, which exists. The officers will continue to monitor 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 to generate operating revenues and to procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; (ii) cash payments received as property option payments from third parties; and, (iii) profits from the investment in and subsequent sale of junior company shares through its investment portfolio. 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 funds will be generated from the Company’s current revenue sources or that other 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 period ended March 31, 2013, prepared as at May 6, 2013.