GWR Resources Inc.

Management's Discussion and Analysis
For the twelve months ended September 30, 2012

The following management discussion and analysis, prepared by management of GWR Resources Inc. (the “Company”) as at April 1st, 2013, should be read in conjunction with 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 commitments 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". GWR 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. GWR 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 t Board decision to focus exploration on the Lac La Hache project.

Exploration Program and Results

1. 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.

A technical review and planning meeting held in Lac La Hache office during Q2 was attended by the Board of Directors, our technical team, GIS expert Paul Stacey, and consultants Dr. Murray Hitzman (Colorado School of Mines) and Dr. David Bailey. Recommendations resulting from technical presentations, examination of selected drill cores and rigorous discussion confirmed GWR’s exploration strategy to continue to focus exploration along the highly encouraging magnetic signature of the magnetite-copper mineralization, as represented by the Spout Zones signature, and to test the underexplored core of the Murphy intrusion for copper-porphyry mineralization.

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.
Q4 exploration drilling commenced in August, conducted by L.D.S. Drilling Ltd, Kamloops. The first-ever drill tests of strongly positive ground magnetic anomalies west of Two Mile Lake intersected highly anomalous copper in several narrow zones (up to 0.3 % copper over 3 meters within 15 meters grading 0.18 % copper) accompanied by anomalous gold and silver concentrations up to 0.2 and 1.7 grams per tonne, respectively, within volcanic and intrusive host rocks. Results provide useful future vectoring and suggest skarn-type potential lies to the west of these initial holes, and porphyry copper potential lies to the east within the intrusion. A single hole drilled at the Murphy prospect failed to intersect a vertical, intrusion-hosted copper zone cut by historical drilling, but future testing may be conducted here.

Additional technical activities in FY2011-12 included: drill core relogging, prospecting and test-pitting to provide new geological information within the Spout Deposit, Ann, Ann Northeast, Harvey, Miracle and Aurizon prospects; formal presentation at the annual Kamloops Exploration Group conference, along with corporate and core display booths; significant revision to corporate presentations used at several Broker meetings during Q3 and to update the corporate website; creation and distribution of technical News Releases; preparations for the Annual General Meeting held Friday September 14. The meeting was held at Hills Health Ranch in 108 Mile, BC, followed September 15 with core viewing and participant-funded helicopter tours of the new, expanded property.

Expansion of the Lac La Hache land holdings this FY 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.

However, as described above, masking of bedrock in the new ground by overburden and young volcanic rocks has resulted in only sparse historical exploration data, offering no significant guides for new exploration. To address this, in Q4-2012 GWR planned new, extensive Ah-horizon geochemical survey throughout the entire project, using methods shown to be useful at advanced exploration projects and producing mines elsewhere in the Quesnel Trough. Surveying was conducted during Q1-2012/13 (Oct-Dec 2012), and positive results obtained will be reported in the MD&A technical report for that quarter. Our VP Exploration is highly encouraged by several new gold, copper and molybdenum Ah-horizon anomalies in previously unexplored areas. We look forward to testing these positive new targets.

2. Sainte Sabine Project

Drilling was completed in Q1 at Sainte Sabine, Quebec, with 11 holes (3881 meters) testing several new targets defined by airborne geophysical (magnetic, radiometric, electromagnetic) and soil geochemical (As, Au, Cu, Pb, Zn) patterns. Mineralization occurs within fine grained metasedimentary and intrusive host rocks locally cut by quartz-carbonate veins and stockworks, as trace to a few percent concentrations of sulphides (pyrrhotite, pyrite, chalcopyrite, galena, sphalerite, arsenopyrite). No visible gold was noted. Core logging, cutting and sampling extended into Q2. Representative samples (n=100) selected from cores drilled by GWR in 2011 were sent for fire and metallic screen assaying in Q2, but results were disappointing, returning low gold values. As a result, GWR will not continue exploration activity on this project.

Resource Property Interests – Capitalized Costs

Activities of the Company for the year ended September 30, 2012 focused on the continuing exploration work on its Lac La Hache and Sainte Sabine properties as indicated in the *Overall Performance* described above.

Total exploration expenditures in the year ending September 30, 2012 were $5,697,545, an increase of 45% from $3,927,649 incurred during 2011. The increase in expenditures is attributable to the increased drilling in support of a NI 43-101 Resource Estimate for the Spout Lake deposits and increased sampling and assaying recommended by the Company's exploration advisor. These activities also resulted in the increase to related costs, including vehicle, reclamation, equipment rentals, and staff costs.

Costs reflected in mineral properties and deferred exploration expenditures for the years ended September 30, 2012 and 2011 are detailed below:

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

Year ended September 30, 2011	Lac La Hache	Sainte Sabine	Total
	$	$	$
Balance, October 1, 2010	19,662,037	179,391	19,841,428
Assays, core preparation and storage	191,150	74,481	265,630
Automotive	40,057	14,542	54,600
Drilling	1,905,990	-	1,905,990
Equipment rental	497,182	7,023	504,205
Field supervision	409,104	178,568	587,090
Geological fees	22,530		22,530
Reclamation and clearing	2,707		2,707
Supplies and misc	157,072	39,388	197,041
Wages and costs	387,855		387,855
Property option costs	-	81,000	81,000
	3,613,647	395,002	3,927,649
Balance, September 30, 2011	23,275,684	574,393	23,850,077

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 twelve months ended September 30, 2012, the Company incurred loss before taxes of $2,689,136 (2011 - $979,067).

At September 30, 2012, the Company had $638,646 (September 30, 2011 – 4,884,731) in cash, a decrease of $4,246,085 during the period. The change in cash during the period resulted from:

1. Use of cash by operating activities in the amount of $825,741 (2011 – $998,770). The use of cash in operating activities consists primarily of an increase in consulting and managements fees and travel operating activities of $733,933 (2011 - $674,778) from the Company's operating loss of $2,561,966 (2011 - $1,681,314) offset by a decrease in non-cash working capital items in the amount of $91,808 (decrease in 2011 – $323,992) largely due to an decrease in accounts payable in the amount of $284,220 and by a decrease in prepaid expenses in the amount of $221,730. The decrease in prepaid expenses is due mainly to a deposit paid in 2011 and expensed in 2012 in respect to the purchase of mineral claims in Lac La Hache area.

Decrease in cash from financing activities of $1,630,865 (2011 - $10,353,962) as a result of less private placement activity, decreasing share price causing less options and warrants to be in the money for exercising and payments on a finance lease of approximately $85,000 not present in 2011. (See Note 9 in the audited financial statements for more information relating to the finance lease). Proceeds of share issuances amounted to $1,716,933, (2011 - $10,489,362) net share issue costs of $107,567 (2011 - $422,002). The share issuances were a combination of option and warrants being exercised and a $843,000 private placement in July of 2012.

2. Use of cash of $5,051,209 (2011 - $4,470,761) in investing activities. The Company incurred total cash exploration expenditures of $3,972,070 (2010 - $3,927,649) during the current period with $856,316 (2011 - $314,002) incurred on the Sainte Sabine property in Quebec and $3,115,754 (2011 - $3,613,647) incurred on the Lac La Hache property. The Company also acquired additional property in the amount of $908,802 in the Lac La Hache property during the year.

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. GWR believes the property offers excellent copper, gold, silver and magnetite potential and possesses numerous favourable criteria.

2. ***Selected Annual Information***

The following table summarizes selected financial information for the Company's two most recently completed financial years. All amounts shown are stated in Canadian dollars, the Company's functional and reporting currency, in accordance with International Financial Reporting Standards ("IFRS"). The following annual results are compliant with IFRS: September 30, 2012 and 2011. The annual results for the year ended September 30, 2010 has been presented as in accordance with Pre-changeover Canadian GAAP and has not been restated to IFRS.

	Year Ended September 30, 2012	Year Ended September 30, 2011	Year Ended September 30, 2010
Total interest income	$ 19,457	$ 11,286	$ 1,812
Net loss before taxes	(2,689,136)	(979,067)	(1,195,704)
Net loss from operations	(2,561,966)	(1,681,314)	(1,195,704)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)
Total assets	30,271,304	30,198,530	20,498,301
Total long-term liabilities	4,642,618	4,685,460	3,983,389

3. ***Results of Operations***

During the twelve months ended September 30, 2012 the Company had a net loss of $2,561,966 (2011 - $1,681,314). Significant expenses during the period were as follows:

- **Consulting, director and management fees** - $223,568 (2011 - $120,456) increased primarily as a result of a full year the chief executive officers annual $120,000 management service contract, which was put in place in the last quarter of fiscal 2011.
- **Flow-through Part XII.6 tax, penalties** - $nil (2011 - $18,649 Recovery) decreased during the year as no renunciations under the look-back rule occurred during the year.

- **Interest and bank charges** - $7,881 (2011 – 70,751) decreased as in fiscal 2011 a loan bonus was paid to a former director and unrelated party .
- **Office and general expenses** - $92,179 (2011 - $91,899) primarily was consistent with prior years as no new staff was added to the office during the year.
- **Professional fees** - $105,051 (2011 - $117,114) is comprised of legal fees and investor relations fees of $49,450 (2011 - $54,470) and audit fees of $55,601 (2011 - $62,644). The decrease of $12,063 is based on level of activity within the Company on as added needed basis
- **Salaries and benefits expense** - $140,781 (2011 - $194,361). The decrease is a reflection of investor relations and legal advice costs ($53,580) that were reclassified in the previous year to professional fees.
- **Stock-based compensation** - $374,913 (2011 - $164,389). The increase is a result of the Company having granted 2,325,000 incentive stock options to officers, directors and employees and the recognition of unvested options granted in 2011 which had market vesting terms over a three year period. Additional information can be found in Par. 12(iv) of the Notes to the Financial Statement.

4. ***Summary of Quarterly Results***

	December 31, 2011	March 31, 2012	June 30, 2012	September 30, 2012
Total assets	$ 30,766,374	$ 31,630,800	$ 29,739,986	$ 30,271,304
Working capital	2,663,781	454,979	193,282	215,153
Shareholders' equity	24,863,126	25,626,841	24,335,902	24,995,286
Net loss	(647,431)	(207,131)	(1,488,710)	(218,694)
Loss per share	(0.005)	(0.001)	(0.011)	(0.001)

	December 31, 2010	March 31, 2011	June 30, 2011	September 30, 2011
Total assets	$23,778,960	$24,369,945	$29,086,739	$30,198,530
Working capital	1,849,454	922,695	5,035,985	4,517,308
Shareholders' equity	18,299,679	18,990,513	24,011,021	24,711,806
Net loss	(172,106)	(252,323)	(252,328)	(1,004,557)
Loss per share	(0.002)	(0.003)	(0.006)	(0.011)

During the three months ended September 30, 2012, 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 September 30, 2012, the Company's working capital was $215,153 (September 30, 2011 – $4,517,308). 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 September 30, 2012 was $638,646 (September 30, 2011 - $4,884,731). The decrease in cash was due primarily to an lower than anticipated equity financing in the amount of $1,630,865 and continued incurrence of exploration and development expenditures in the amount of $3,972,070, acquisition of mineral properties in the amount of $908,802, purchase of capital assets in the amount of $170,337 and normal funds used in operating activities of $825,741

The Company is committed to incur $843,000 in qualifying exploration expenditures pursuant to its July 2012 flow-through subscription agreement.

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.

5. *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.

Authorized share capital is an unlimited number of common shares without par value.

Issue and outstanding common shares at September 30, 2012 was 149,425,542 (September 30, 2011 – 135,370,749).

During the year ended September 30, 2012, the Company completed the following share issuance transactions.

On July 12, 2012, pursuant to a brokered private placement, the Company issued 7,030,700 flow through units at $0.12 per unit for total gross proceeds of $843,684. Each flow through unit consisted of one flow-through common share and one-half non-transferrable non-flow through share purchase warrants (3,515,350 in total) entitling the holder to purchase one additional common share at an exercise price of $0.25 until July 12, 2014.

The Company incurred share issue costs totaling $107,567, including finders' fees of $59,058, corporate finance fees of $24,100, legal and filing fees of $24,409 and issued 492,149 agent's warrants entitling the holder to purchase one common share at an exercise price of $0.11 until July 12, 2014..

On November 1, 2011 the Company issued 40,000 common shares valued at $9,600 pursuant to a mineral option agreement entered into with Rio Minerals. The shares were valued and recorded at the closing price of $0.24 per share on the date of issuance.

On January 20, 2012 the Company issued 2,400,000 common shares valued at $600,000 pursuant to the mineral property option agreement entered into with Candorado Operating Company. The shares were valued and recorded at the closing price of $0.25 per share on the date of issuance. In addition there were 2,000,000 warrants issued with a term of two years having an exercise price of $0.40. The fair value attributed to these equity instruments of $144,000 was recorded to contributed surplus and acquisition costs in mineral properties.

During the year ended September 30, 2012, 4,414,093 common shares were issued on the exercise of warrants for gross proceeds of $950,416. The fair value of these exercised equity instruments of $160,150 was transferred from contributed surplus to share capital per our accounting policy.

During the year ended September 30, 2012, 170,000 common shares were issued on the exercise of share purchase options for gross proceeds of $30,400. The fair value of these exercised equity instruments of $23,153 transferred from contributed surplus to share capital per our accounting policy.

During the year ended September 30, 2012, the Company granted 2,325,000 share purchase options. Based on the estimated fair value of the share purchase options at their grant dates, the Company recorded a stock-based compensation expense of $229,013 for these options in the statement of comprehensive loss for the year. The share purchase options were granted to directors, officers and employees, vested immediately and are exercisable for five years at $0.25 for a period of five years.

The Company also recognized $145,900 stock-based compensation to an officer of the Company on unvested options granted with market vesting conditions in connection with the three year management service contact.

The following is a summary of changes in share purchase options from October 1, 2010 to September 30, 2012:

	Number of options	**Weighted Average Exercise Price**
Outstanding at	**6,068,400**	**$0.19**
Granted	2,300,000	$0.28
Expired/Cancelled	(460,000)	($0.19)
Outstanding at	**7,908,400**	**$0.21**
Granted	2,325,000	$0.25
Exercised	(170,000)	($0.31)
Expired	(1,544,000)	($0.17)
Outstanding at	**8,519,400**	**$0.23**

As at September 30, 2012 the following share purchase options were outstanding:

Number of Options	Exercise Price	Expiry Date
120,000	$0.17	May 6, 2013
430,000	$0.17	March 23, 2014
3,344,400	$0.20	September 3, 2015
50,000	$0.28	January 4, 2016
400,000	$0.42	February 24, 2016
1,850,000	$0.25	August 1, 2016
2,325,000	$0.25	December 28, 2016
8,519,400		

As at September 30, 2012, 6,669,400 stock options are fully vested and exercisable and 1,850,000 stock options are unvested. The unvested options have market vesting conditions contingent on reaching certain share price levels of the Company.

The following is a summary of changes in share purchase warrants from September 30, 2011 to September 30, 2012:

	Number	Weighted Average Exercise Price
Outstanding at September 30, 2011	**16,390,789**	**$0.35**
Granted	5,515,350	$0.30
Exercised	(4,414,093)	($0.25)
Expired	(5,500,345)	($0.21)
Outstanding at September 30, 2012	**11,991,701**	**$0.43**

During the year ended September 30, 2012, the Company issued 5,515,350 warrants as part of unit offerings.

At September 30, 2012, the Company has outstanding share purchase warrants entitling the holders to acquire Common shares as follows:

Number of Warrants	Exercise Price	Expiry Date	
3,125,000	$0.50	November 30, 2012	(1)
2,000,000	$0.65	June 2, 2013	
1,351,351	$0.45	June 22, 2013	
2,000,000	$0.40	January 20, 2014	
3,515,350	$0.25	July 12, 2014	
11,991,701			

(1) Expired subsequent to year end.

Agent warrants

The following is a summary of changes in agent warrants from September 30 2011 to September 30, 2012:

	Number of warrants	Weighted Average Exercise Price
Outstanding at September 30, 2011	**1,279,237**	**$0.26**
Granted	492,149	$0.11
Expired	(793,523)	$0.25
Outstanding at September 30, 2012	**977,863**	**$0.19**

During the year ended September 30, 2012 the Company issued 492,149 agent warrants as part of unit offerings.

At September 30, 2012, the Company has outstanding agent warrants entitling the holders to acquire Common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
485,714	$0.28	November 30, 2012
492,149	$0.11	July 12, 2014
977,863		

The November 30, 2012 agent options expired subsequent to year end.

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 September 30, 2012.

6. ***Related Party Transactions***

The Company's related parties with transactions during the year ended September 30, 2012 consist of directors and officers:

Related party	Nature of transactions
EMC Holdings Inc., officer of the company	Management services
GamX Inc., director and vice-president of exploration	Management and geological services

Transactions and balances with related and former related parties are as summarized below:

	2012 ($)	2011 ($)
Goods or services rendered		
Included in exploration and development expenditures:		
	159,700	526,470
Included in administrative expenses:		
Consulting and management fees	164,186	96,786
Interest (Note 6biii)	-	8,976
Rent	-	9,000
	164,186	114,762

These transactions are measured at the exchange value, being the price agreed to between the parties.

Related party balances are as follows:

	September 30, 2012 ($)	September 30, 2011 ($)
Receivables		
Amounts due to the Company by the former President (1)	-	31,521
Trade payable and other liabilities		
Amounts outstanding to a companies with common officers and directors and former directors	(50,449)	(60,074)

(1) During the year ended September 30, 2011, included in receivables is $31,521 relating to prepaid equipment rent owed by a company with a former common Director. This amount has been written off during 2012.

Key management personnel compensation comprised:

	2012 ($)	2011 ($)
Salaries and benefits	459,924	356,096
Share-based payments	240,620	153,540
	700,544	509,636

Key management personnel include chief executive officer, the chief financial officers and vice president of exploration and were not paid post-employment benefits, termination benefits or other long-term benefits during the years ended September 30, 2012 and 2011.

7. ***Off-Balance Sheet Arrangements***

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

8. ***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.

9. ***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.

10. ***Changes in Accounting Policies, including initial adoption***

Subsequent to September 30, 2012, the Company has not adopted any new accounting policies.

The following new standards and interpretations have been issued by the IASB but are not yet effective:

IFRS 9 Financial Instruments

IFRS 9 is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard.

IFRS 10 Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. The Company is in the process of evaluating the impact of the new standard.

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers. The Company is in the process of evaluating the impact of the new standard.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company is in the process of evaluating the impact of the new standard.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The Company is in the process of evaluating the impact of the new standard.

11. ***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. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed 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.

12. ***Transition to International Financial Reporting Standards***

The Company's financial statements for the year-ending September 30, 2012 are the first annual financial statements prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"), requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was October 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be September 30, 2012. Therefore, the financial statements for the year-ended September 30, 2012, the comparative information presented in these financial statements for the year-ended September 30, 2011 and the opening IFRS statement of financial position at October 1, 2010 are prepared in accordance with IFRS standards effective at the reporting date. However, IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

An explanation of how the transition from pre-changeover Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables:

(a) IFRS 1, *First-time adoption of International Financial Reporting Standards*

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening statement of financial position on the transition date of October 1, 2010, and allows certain exemptions on the transition to IFRS.

The exemptions the Company has chosen to apply and that are considered significant to the Company include decisions to:

- Continue to measure property, plant and equipment at its historical amortized cost; and

- Not apply IFRS 2, *Share-based Payment***,** to equity instruments that were fully vested or settled before October 1, 2010.

(i) The mandatory exemptions as required are as follows:

- Estimates. The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, the Company has not used hindsight to revise estimates.

(b) Reconciliations

IFRS 1 requires a company to reconcile equity, comprehensive income and cash flows for comparative periods. The Company's adoption did not have a significant impact on equity, net loss and comprehensive loss, and operating, investing or financing cash flows in the prior periods. As a result, there were no adjustments to the Statement of Cash Flows.

The significant transitional and comparative period IFRS reconciling item was the accounting for flow-through shares.

Under pre-change-over Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issue of flow-through shares, the Company bifurcates the flow-through shares into: 1) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and, 2) share capital.

Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized within the other liabilities and the related deferred tax is recognized as a tax provision.

As a result, for issuance of flow-through shares for which expenditures have been incurred at the date of transition of October 1, 2010, share capital was increased by $4,414,310, deferred tax liabilities decreased by $176 and deficit was increased by $4,414,134.

The impact on deficit for the year ended September 30, 2011 was an increase of $5,117,054 with a corresponding increase in share capital of $5,262,878, decrease in deferred tax liabilities of $182,400 and increase in other liabilities of $36,576 representing the premium on flow-through shares issued but expenditures not incurred by the end of the reporting period.

For the year ended September 30, 2011, the total comprehensive loss was increased by $702,247, which represents the deferred tax provision in connection with change in the deferred tax liability on renunciation of flow-through share issuances for the period.

The overall impact of this adjustment on the financial statements was limited to only a few line items and had no impact on the operating cash flows of the Company. Moreover, its impact did not alter the current financial position of the Company.

13. ***Disclosure of Outstanding Share Data***

	The authorized share capital of the Company consists of an unlimited number of common shares without par value. Number of Common Shares Issued & Outstanding	Share Capital Amount
September 30, 2011	135,370,749	$32,503,248
September 30, 2012	149,425,542	$34,892,826
April 1, 2013	149,425,542	$34,892,826

There were no options or warrants issued after year September 30, 2012 to the date of this report. See Item 6. Capital Disclosures for more information on the details of these instruments.

14. ***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, 2012, prepared as at April 1, 2013.