GFM RESOURCES LIMITED

(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nie months ended September 30, 2018

This Management's Discussion & Analysis ("MD&A") of GFM Resources Limited (the "Company") is for the nine months ended September 30, 2018, and up to the date of this report, and it should be read together with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 and 2017 (the "Interim Statements") and with the annual audited consolidated financial statements for the year ended December 31, 2017 and 2016, and the related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"), as well as with the annual MD&A for the year ended December 31, 2017.

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

1.- Date of this report: October 25, 2018.

2.- Overall Performance and events

a) Description of Business

GFM Resources Limited is an emerging mineral exploration company focused on the acquisition and development of high-potential exploration properties in Mexico and Latin America. Its shares are listed on the NEX Board of the TSX Venture Exchange ("TSX-V") under the symbol GFM.H. The Company was incorporated under the laws of British Columbia, Canada in 1987. During the year ended December 31, 2000, the Company continued its operation into the Yukon Territory, Canada, under the Business Corporation Act of Yukon, and registered as an extra-provincial company in British Columbia under the laws of British Columbia.

The Company's majority shareholder is Compañía Minera Autlán, S.A.B. de C.V. ("Autlan"), a Mexican company listed on the Mexican Stock Exchange - *Bolsa Mexicana de Valores* – and controlled by Mr. José Antonio Rivero Larrea, a director of the Company. Autlan had been majority shareholder of the Company for several years until June 30, 2018, when the Company shares owned by Autlan were purchased by Metallorum Holding, S.A.P.I. de C.V. ("Metallorum"), a private Mexican company also controlled by Mr. Rivero Larrea. However, on September 15, 2018, Metallorum was purchased by Autlan, who once again became majority shareholder of the Company, with Metallorum ceasing to exist as a separate entity.

Autlan is active in manganese and ferroalloy operations in Mexico and, since the acquisition of Metallorum, is also in the business of acquiring, developing and operating precious metal projects and assets in Mexico, and owns a gold-producing mine in the state of Sonora, Mexico.

b) Financings

On November 17, 2017:

- The Company entered into a loan agreement (the "Loan Agreement] with Metallorum with retroactive effect from August 1, 2017. Under the terms of the Loan Agreement, Metallorum will make available to the Company a line of credit in up to USD $2,000,000 per year. Advances made under the Loan Agreement bear annual simple interest calculated on the London Interbank Offered Rate ("LIBOR") plus 2%, calculated daily on the outstanding balance. The principal outstanding, together with any accrued but unpaid interest will become due and payable on demand, but such demand shall not to be made unless the Company has sufficient funds to repay the loan. There are no convertibility features on this Loan Agreement.

During the nine months ended September 30, 2018, the weighted-average interest rate was 3.92% (period from August 1, 2017 to December 31, 2017 – 3.32%).

- The Company's Mexican subsidiary GFM Resources de Mexico, S.A. de C.V. (the "Subsidiary) entered into a separate loan agreement with Metallorum (the "Subsidiary Agreement"), with retroactive effect from August 1, 2017. Under the terms of the Subsidiary Agreement, Metallorum will make available to the Subsidiary a line of credit in up to MXN $40,000,000 (approximately USD $2,000,000) per year. Advances made under the Subsidiary Agreement bear annual simple interest calculated on the Bank of Mexico's inter-bank loan rate (TIIE for its acronym in Spanish – *Tasa de Interés Interbancaria de Equilibrio*) plus 2%, calculated daily on the outstanding balance. The Subsidiary Agreement has a term of two years, which can be extended upon agreement of the parties. There are no convertibility features on this Subsidiary Agreement. During the nine months ended September 30, 2018, the weighted-average interest rate was 9.88% (period from August 1, 2017 to December 31, 2017 - 9.44%).
- With the purchase of Metallorum by Autlan effective on September 15, 2018, both the Loan Agreement and the Subsidiary Agreement were taken over by Autlan, without any changes in their terms and conditions.

The following table summarizes the new loans with Autlan (expressed in Canadian dollars):

	Principal received $	Accrued Interest $	Mexican value-added tax ("IVA") $	Foreign exchange adjustment $	Total due $
Balance, December 31, 2016	-	-	-	-	-
Loan Agreement	50,000	270	-	1,153	51,423
Subsidiary Agreement	12,624	99	-	(308)	12,415
Balance, September 30, 2017	62,624	369	-	845	63,838
Loan Agreement	30,000	624	-	1,858	32,482
Subsidiary Agreement	112,996	2,040	325	(6,475)	108,886
Balance, December 31, 2017	205,620	3,033	325	(3,772)	205,206
Loan Agreement	151,629	4,478	-	4,422	160,529
Subsidiary Agreement	75,247	12,556	786	6,382	94,971
Balance, September 30, 2018	**432,496**	**20,067**	**1,111**	**7,032**	**460,706**

c) Board of Directors and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

José Antonio Rivero Larrea	Director, Chairman of the Board	(Mexico)
José Antonio Rivero González	Director, President and Chief Executive Officer	(Mexico)
James Robertson, P.Eng.	Director, Audit Committee Chair	(Vancouver)
Horacio Alcocer	Director	(Mexico)
Salvador Miranda	Chief Financial Officer & Corporate Secretary	(Vancouver)

d) Mineral exploration

On May 13, 2008, the Company entered into a formal Purchase and Sale Agreement (the "Property Agreement") to acquire from Grupo the "La Casita" mineral property, formerly known as El Rodeo property ("the Acquisition") in the State of Durango, Mexico.

The Company is keeping the property under care and maintenance, with related costs charged to the consolidated statement of income (loss). The conclusions from earlier exploration programs on the property indicated that further exploration would be merited. The Company is analyzing different possibilities for this property, as well as considering other mineral properties as possible acquisition targets.

During the nine months ended September 30, 2018, the Subsidiary entered into an agreement with owners of the surface rights where La Casita's claims are located (the "Ejido") to secure land access through monthly payments of MXN $100,000 (approximately $6,800) plus 16% Mexican value added tax ("IVA") for a period of six months. During the nine months ended September 30, 2018, the Company paid the Ejido MXN $232,000 (inclusive of IVA) (approximately $15,709). The Company is planning to carry out geological surface sampling.

On October 30, 2017, the Company into an exploration and evaluation agreement with Minera Auricup, S.de R.L. ("Auricup") for exclusive access to conduct exploration and evaluation of the merits of a mineral concession (the "Evaluation Agreement") of Auricup's Baviácora concession (the "Concession"), located in the state of Sonora, Mexico. The Concession is a gold and silver target of approximately 4,400 hectares with some historical works that provided results that warranted further evaluation by the Company, although there are no prior geological studies or results supported under National Instrument 43-101.

Under the terms of the Evaluation Agreement, the Company will pay for outstanding mineral rights of the Concession, will have exclusive access rights for a period of six months, and will obtain a minimum 15% ownership stake in the Concession. The starting of the six-month initial evaluation and exploration term is subject to Auricup negotiating the land access rights with the local communal land administration. If, for any reason, such access rights are not successfully negotiated within 120 days of the date of Evaluation Agreement, the Company has the option of demanding full repayment, or to obtain a similar stake in a different but equivalent mineral concession owned by Auricup. Should the initial exploration and evaluation under the present agreement be successful, the Company, at its sole option, has the exclusive right to negotiate an agreement to acquire a further interest in the Concession. The Company is still in talks with Auricup for securing access to the Concession, but no further payments have been made.

The following property examination costs and concession payments have been incurred:

	Prepaid amount as at September 30, 2018	Expensed Nine months ended September 30	
		2018	2017
	$	$	$
Company's La Casita concessions	6,438	18,921	18,492
Surface access rights for La Casita	-	15,709	-
Baviacora Concessoin	-	26,920	-
	6,438	61,550	18,492

The Company drew down on its Subsidiary Agreement for these payments.

In addition, on November 17, 2017, the Subsidiary entered into a Mandate and Indemnity Agreement (the "Mandate") with Soluciones y Reparaciones Domésticas, S.A. de C.V. ("Soluciones"), an affiliate company also controlled by Autlan, with retroactive effect as of August 14, 2017. Soluciones had entered into an agreement to acquire certain mineral concessions in Mexico from another affiliate company; however, Soluciones does not have the corporate capacity to hold mineral concessions and, therefore, requested the Subsidiary to hold these concessions on its behalf. Pursuant to the Mandate, Soluciones will pay and indemnify the Subsidiary for all costs and liabilities associated with the holding of these concessions.

During the year ended December 31, 2017, the Company paid $214,632 on behalf of Soluciones, and was reimbursed by Soluciones for this amount, with nil cash effect. During the nine months ended September 30, 2018, the Company paid $463,663 on behalf of Soluciones, which was immediately reimbursed by Soluciones with nil cash effect.

3.- Results of Operations

	Nine months ended September 30				
	2018 $	**% of expenses**	2017 $	% of expenses	% change
Cash expenses					
Property examination costs	**61,550**	**36.69%**	18,492	17.24%	232.85%
Administration and accounting	**45,000**	**26.84%**	45,000	41.93%	0.00%
Audit and legal	**27,577**	**16.45%**	23,032	21.46%	19.73%
Directors' fees	**15,000**	**8.95%**	9,000	8.39%	66.67%
Filing and transfer agent fees	**10,078**	**6.01%**	7,619	7.10%	32.27%
Office and sundry	**8,477**	**5.06%**	4,166	3.88%	103.48%
	167,682	**100.00%**	107,309	100.00%	56.26%
Non-cash (income) expenses					
Interest on loans	**17,034**		12,346		
Foreign exchange (gain) loss	**7,621**		948		
Forgiveness of debt	**-**		(1,522,498)		
Accretion of convertible loan	**-**		35,246		
	24,655		(1,473,958)		
Income (loss) for the period	**(192,337)**		1,366,649		
Exchange differences on translating foreign operations, net of tax	**(11,074)**		(58,856)		
Total comprehensive income (loss) for the period	**(203,411)**		1,307,793		

The significant amounts from the comparative periods were as follows:

- Property examination increased in comparison to the same period in the prior year due to the Company entering into the Evaluation Agreement mentioned in Section 2(d), assuming the costs of maintaining the related claims in good standing for the duration of the agreement. In addition, during the current period the Company entered into an agreement to secure surface right access to La Casita property, also increasing the property examination costs,

- Administration and accounting consists of a monthly fee paid to a company controlled by the Chief Financial Officer of the Company.
- Audit and legal fees were slightly higher as a result of legal counsel assistance reviewing certain matters related to the majority shareholder.
- Directors' fees: a monthly stipend is paid to a director of the Company in his capacity of Chair of the Audit Committee. This fee was $1,000 per month until March 31, 2018, and $2,000 per month subsequently.
- Filing and transfer agent fees were slightly larger as a result of higher annual general meeting costs.
- Office expenses increased due to travelling requirements by an officer of the Company.
- Interest related to the Loan Agreement and Subsidiary agreement are described above in Section 2(b).

***Most recent quarter*:**

	Three months ended September 30				
	2018	**% of**	2017	% of	
	$	**expenses**	$	expenses	% change
Cash expenses					
Property examination costs	**22,390**	**37.73%**	6,464	16.88%	246.38%
Administration and accounting	**15,000**	**25.28%**	15,000	39.19%	0.00%
Audit and legal	**9,820**	**16.55%**	10,084	26.35%	-2.62%
Directors' fees	**6,000**	**10.11%**	3,000	7.84%	100.00%
Filing and transfer agent fees	**4,860**	**8.19%**	2,240	5.85%	116.96%
Office and sundry	**1,272**	**2.14%**	1,487	3.89%	-14.46%
Total cash expenses	**59,342**	**100.00%**	38,275	100.00%	55.04%
Non-cash expenses					
Interest on loans	**6,645**		369		
Foreign exchange (gain) loss	**(2,307)**		1,117		
Total non-cash expenses	**4,338**		1,486		
Income (loss) for the period	**(63,680)**		(39,761)		
Exchange differences on translating foreign operations, net of tax	**(6,059)**		-		
Total comprehensive income (loss) for the period	**(69,739)**		(39,761)		

Starting from January 1, 2018, the Company started amortizing the mineral claims maintenance costs, grouped with Property examination costs, over the six months covered by each of the bi-annual payments done in January and July of each year. Hence the difference with the prior year comparative, when the whole amount was expensed at the moment of payment. However, the fees increased during the current period as explained above in the year-to-date discussion.

The fees paid to the chair of the audit committee of the Company were increased from $1,000 per month to $2,000 per month, starting in April 2018, hence the increase for the current year.

The remaining lines are consistent with those of the prior year.

4.- Summary of quarterly results:

	Quarter ended (three-month figures) ($)							
	30-Sep 2018	30-Jun 2018	31-Mar 2018	31-Dec 2017	30-Sep 2017	30-Jun 2017	31-Mar 2017	31-Dec 2016
Loss before other expenses	(57,035)	(60,087)	(59,021)	(177,178)	(39,392)	(30,715)	(38,150)	(25,743)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Income (loss) for the period	(63,680)	(65,777)	(62,880)	(179,438)	(39,761)	1,467,605	(61,195)	(48,703)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	0.08	(0.00)	(0.00)
Other comprehensive income (loss)	(6,059)	10,535	(15,550)	8,193	-	(8,804)	(50,052)	23,276
Per share, basic and diluted	(0.00)	0.00	(0.00)	0.00	(0.00)	(0.00)	(0.00)	0.00
Total comprehensive income (loss)	(69,739)	(55,242)	(78,430)	(171,245)	(39,761)	1,458,801	(111,247)	(25,427)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	0.08	(0.01)	(0.00)
Total assets	62,374	14,626	31,357	23,750	233,816	9,682	6,374	12,984
Total liabilities	488,160	370,673	332,162	246,125	284,946	21,051	1,487,251	1,395,463
Shareholders' deficiency	(425,786)	(356,047)	(300,805)	(222,375)	(51,130)	(11,369)	(1,480,877)	(1,382,479)
Cash dividends declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The expenses of the March 2018, June 2018 and September 2018 quarters increased as compared with the same quarters during the previous year due to the additional property examination costs and office expenses, as discussed in Section 3, above.

The more notable event took place during the June 30, 2017 quarter, with the execution of the Loan Forgiveness agreement with Autlan, resulting in a significant net income, and a considerable reduction of the total liabilities.

During the December 2017 quarter, the mineral property Evaluation Agreement caused an increase in expenses as compared to previous quarters, together with a significant increase in legal and filing fees related to the preparation of the Loan Agreement, the Subsidiary Agreement, the Mandate and the Evaluation Agreement, and the filing with the regulatory authorities of such agreements.

5.- Liquidity and Working Capital

	September 30, 2018	December 31, 2017
	$	$
Cash and cash equivalents	**50,834**	21,360
Accounts receivable (Canadian GST)	**1,605**	2,198
Total liquidity	**52,439**	23,558
Prepaid expenses and deposits	**1,533**	192
Advance payment of mineral concessions	**6,438**	-
Accounts payable and accrued liabilities	**(20,006)**	(33,156)
Amounts due to related parties	**(7,448)**	(7,763)
Loans with related party	**(460,706)**	(205,206)
Working capital deficiency:	**(427,750)**	(222,375)

Given the present level of ongoing obligations and expenses, the Company must rely on the continued financial support from Autlan in order to meet its operational obligations for the foreseeable future.

6.- 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 acquire new properties and to achieve certain exploration milestones. In order to attain these objectives and to meet its operational obligations, the Company will continue to rely on the financial support from Autlan. There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

7.- Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements, and no contingent liabilities or other obligations.

8.- Transactions with Related Parties

The following transactions with related parties took place:

Nine months ended September 30:	**2018**	2017
	$	$
Management fees paid to InterAmerica Consulting & Development Inc. ("InterAmerica"), a company controlled by Mr. Salvador Miranda, the Chief Financial Officer of the Company:	**45,000**	45,000
Office rent paid to InterAmerica:	**450**	450
Director's fees paid to Midas Management Inc. ("Midas"), a company controlled by Mr. James Robertson, a director of the Company and chairman of its audit committee:	**15,000**	9,000
Amounts advanced by Autlan under the convertible loan agreement (Note 6 to the Financial Statements):	**-**	55,000
Amounts provided by Autlan to the Company's subsidiary in order for it to pay for the mineral rights of La Casita, and meet other local obligations:	**-**	10,943
Interest accrued on Convertible Loan before forgiveness:	**-**	11,977
Debt forgiveness of liability component of Convertible Loan by Autlan, including interest:	**-**	1,522,498
Debt forgiveness by Autlan of equity component of Convertible Loan charged to contributed surplus:	**-**	363,206
Advances pursuant to the Loan Agreement (Section 2(b) above):	**151,629**	50,000
Advances pursuant to the Subsidiary Agreement as explained in Section 2(b) above.	**75,247**	12,624
Interest accrued on Loan Agreement and Subsidiary Agreement:	**17,034**	369
Payment of mineral concessions on behalf of Soluciones y Reparaciones Domésticas, S.A. de C.V., a related party:	**-**	214,632

The following amounts were due to related parties:

As at:	**September 30, 2018** **$**	December 31, 2017 $
Amounts owed to Autlan pursuant to Loan Agreement:	**244,433**	83,905
Amounts owed to Autlan pursuant to Subsidiary Agreement:	**216,273**	121,301
Amounts due to InterAmerica in management fees and reimbursable expenses:	**5,348**	5,663
Director's fees owed to Midas:	**2,100**	2,100
	468,154	212,969

Management is of the opinion that these transactions have occurred in the normal course of operations and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

9.- Proposed Transactions

There are no specific proposed transactions as at the date of this MD&A. The Company is examining several properties as potential acquisition targets.

10.- Critical accounting estimates and adoption of new accounting standards

Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2017, except as noted below.

Adoption of new accounting standards

New IFRS pronouncements have been issued that become effective for and adopted by the Company as of January 1, 2018:

IFRS 9, *Financial Instruments* (new; to replace IAS 39)

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. This new standard replaces International Accounting Standards ("IAS") 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces a new impairment model for financial assets and new rules for hedge accounting.

IFRS 9 requires financial assets to be classified into one of three measurement categories on initial recognition: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") and amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The new standard retains most of the existing requirements for financial liabilities.

IFRS 9 introduces a new impairment model for financial assets. This new model may result in the earlier recognition of credit losses as it requires the Company to account for expected credit losses from the time the financial instruments are first recognized.

The Company will classify its cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and loans with related parties at amortized cost. The Company does not currently have any FVTPL or FVTOCI financial assets

IFRS 9 is not expected to have a material effect on the Company's consolidated financial statements

11.- Financial Instruments

With the adoption of IFRS 9, the Company has classified cash, accounts receivables, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency Risk

As at September 30, 2018, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Mexican pesos. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs.

A change in the value of the Mexican peso by 10% relative to the Canadian dollar would affect the Company's working capital by approximately $22,000, and its net loss for the year by approximately $13,000.

Interest rate and credit risk

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company is not exposed to interest rate risk, as its convertible loan instrument is subject to fixed interest rates. The Company exposed to interest rate risk on its loans with a related party as detailed in Note 7 to the Interim Statements. A change 1% change in interest rate would affect the interest by approximately $1,800 based on the principal outstanding as at September 30, 2018.

Liquidity risk

The Company will depend on the advances provided by Autlan through the Loan Agreement and the Subsidiary Agreement (Note 7 to the Interim Statements and Section 2(b) above). The liquidity risk relates to the low cash position and the dependence on these advances. See Notes 1 and 11 to the Interim Statements for further discussion regarding liquidity risks.

12.- Management's Responsibility over Financial Information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. The Interim Statements have been prepared in accordance with IFRS.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators ("CSA").

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

13.- Risk Factors.

Development-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

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 of 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 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. Regarding the properties under the option agreement described in Section 2, Autlan has provided reasonable assurance that its mineral properties' titles are in good standing.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

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.

At the present time, the Company has no rights to a property of merit, and therefore its ability to raise capital is limited, having to rely on funding provided by Autlan to meet its obligations, including the search for a property of merit.

Finally, operating in a specific country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

14.- Forward-Looking Statements

Certain statements made and information contained in this MD&A and elsewhere constitute "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described under Risk Factors in each MD&A.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Mexico will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

15. - Other MD&A requirements

a) The Company, as a "venture issuer", is not required to prepare an Annual Information Form at this stage.

   Copies of all previously published financial statements, management discussions, meeting materials, etc., are available on the CSA's System for Electronic Document Analysis and Retrieval website at www.sedar.com. Other Company information is available on its website at www.gfm-resources.com.

b) Information pursuant to sections of National Instrument 51-102:

   i) Section 5.3: Please refer to Sections 3 and 4 above, and to the consolidated statements of loss and comprehensive loss included with the Interim Statements, and Notes 2, 3 and 11 thereto.

   ii) Section 5.4: Share Capital: please refer to Note 8 to the Interim Statements.

   As at the date of this MD&A, the Company has the following securities:

   - Common shares issued and outstanding: 19,085,071.
   - Stock options or warrants: nil.

* * * * *