



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

This Management's Discussion & Analysis ("MD&A") of GFM Resources Limited (the "Company") is for the nine months ended September 30, 2020, 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, 2020 and 2019 (the "Interim Statements"), and with the annual audited consolidated financial statements for the year ended December 31, 2019 and 2018, 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, 2019.

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

1.- Date of this report: October 28, 2020.

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 is active in manganese and ferroalloy operations 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 Autlan with effect from August 1, 2017. Under the terms of the Loan Agreement, Autlan 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, 2020, the weighted-average interest rate was 2.65% (2019 – 4.39%).



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

- The Company's Mexican subsidiary GFM Resources de Mexico, S.A. de C.V. (the "Subsidiary") entered into a separate loan agreement with Autlan (the "Subsidiary Agreement"), with retroactive effect from August 1, 2017. Under the terms of the Subsidiary Agreement, Autlan 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, 2020, the weighted-average interest rate was 8.13% (2019 – 10.45%).

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, 2018	456,799	28,083	2,338	21,957	509,177
Loan Agreement	134,300	10,579	-	(9,528)	135,351
Subsidiary Agreement	94,605	22,098	2,167	(12,165)	106,705
Balance, September 30, 2019	685,704	60,760	4,505	264	751,233
Loan Agreement	-	3,658	-	(7,676)	(4,018)
Subsidiary Agreement	-	8,003	2,589	9,041	19,633
Balance, December 31, 2019	685,704	72,421	7,094	1,629	766,848
Loan Agreement	123,486	8,489	-	7,304	139,279
Subsidiary Agreement	63,933	20,778	2,258	(59,912)	27,057
Balance, September 30, 2020	873,123	101,688	9,352	(50,979)	933,184

Subsequent to September 30, 2020, the Company received an additional amount of \$85,385 (USD \$65,000) pursuant to the Loan Agreement. The Company used this amount to repay interests due to Autlan pursuant to the Loan Agreement in the amount of \$25,549 (US \$19,445). The Company also used part of the proceeds to fund its Mexican subsidiary with \$59,980 (MXN \$953,136) for the repayment of interest due to Autlan pursuant to the Subsidiary Agreement (inclusive of value-added tax).

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)
Esteban 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)



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

d) Mineral exploration

La Casita, Durango, Mexico

On May 13, 2008, the Company entered into a formal Purchase and Sale Agreement (the "Property Agreement") to acquire from Grupo Ferrominero, S.A. de C.V. ("Grupo", a company controlled by a director of the Company) the "La Casita" mineral property, formerly known as El Rodeo property ("the Acquisition") in the State of Durango, Mexico, consisting of three mineral claims.

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.

Dany II, Guanajuato, Mexico

During the year ended December 31, 2019, the Company issued a bid to the Mexican mining authorities for the potential acquisition of the Dany II concession in the state of Guanajuato, Mexico. The Company's majority shareholder, Autlan, owns other concessions in this area. While the bid was successful, the Mexican Ministry of Mines in Mexico has not issued the concession title. Furthermore, there is no assurance that the Mexican Ministry of Mines will extend issue new concession titles, in which case the Company would attempt to request a refund. If the title is issued, the Company will add this concession to its portfolio of properties for potential exploration.

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

	Prepaid amount		Expensed	
	As at		Nine months ended September 30	
	September 30, 2020	December 31, 2019	2020	2019
	\$	\$	\$	\$
La Casita - concession fees	6,047	-	18,807	19,604
La Casita - surface access	-	-	-	13,814
Dany II concession - bidding	-	-	-	12,160
Other exploration				1,312
	6,047	-	18,807	46,890

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



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

Mandate Agreement

During 2018 the Subsidiary entered into a Mandate and Indemnity Agreement (the "Mandate") with Metallorum Prospección, S.A.P.I. de C.V. (formerly Soluciones y Reparaciones Domésticas, S.A. de C.V.) ("Prospección"), an affiliate company also controlled by Autlan, with retroactive effect as of August 14, 2017. Prospección had entered into an agreement to acquire certain mineral concessions in Mexico from another affiliate company; however, Prospección 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, Prospección will pay and indemnify the Subsidiary for all costs and liabilities associated with the holding of these concessions while it addresses the deficiency in its corporate capacity.

During the nine months ended September 30, 2020, the Company paid \$224,912 on behalf of Prospección, and was immediately reimbursed by Prospección for this amount, with nil cash effect (2019 – \$776,304).

The Subsidiary has generated losses during its years of operation with the exception of 2017 when Autlan forgave the Company's debt up to June 30, 2017. While the cumulative losses of prior and later years have resulted in no income taxes payable, certain invoicing transactions between the Subsidiary and Prospección pursuant to the Mandate triggered the requirement of a cash prepayment of interim income taxes in Mexico for the Subsidiary, based on a coefficient determined by the net income of 2017, even though the Mandate transaction has not generated income for the Subsidiary. The Subsidiary is expected to be able to claim this prepayment back at the time of filing its 2020 income tax return.

For the purpose of carrying out the prepayment of income taxes, the Company drew down on its Subsidiary Agreement (described in Section 2(b) above) during the nine months ended September 30, 2020.

The Company will strive to terminate the Mandate as soon as feasible to avoid these interim tax prepayments in cash in the future.



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

3.- Results of operations

a) Year-to-date:

	Nine months ended September 30				
	2020	% of	2019	% of	% change
	\$	expenses	\$	expenses	
<u>Cash expenses</u>					
Administration and accounting	45,000	38.01%	45,000	33.25%	0.00%
Property examination costs	18,807	15.88%	46,890	34.64%	-59.89%
Directors' fees	18,000	15.20%	18,000	13.30%	0.00%
Audit and legal	17,360	14.66%	12,852	9.50%	35.08%
Filing and transfer agent fees	13,177	11.13%	10,197	7.53%	29.22%
Office and sundry	6,060	5.12%	2,411	1.78%	151.35%
	118,404	100.00%	135,350	100.00%	-12.52%
<u>Non-cash (income) expenses</u>					
Interest on loans	29,267		32,677		
Foreign exchange loss (gain)	10,911		(5,298)		
	40,178		27,379		
Loss for the period	(158,582)		(162,729)		
Exchange differences on translating foreign operations, net of tax	42,199		9,914		
Total comprehensive income (loss) for the period	(116,383)		(152,815)		

The significant amounts from the comparative periods were as follows:

- Administration and accounting consists of a monthly fee paid to a company controlled by the Chief Financial Officer of the Company at a monthly rate of \$5,000.
- Property examination decreased in comparison to the same period in the prior year, as surface rights for La Casita are no longer paid, and no more payments for the Baviácora project are carried out.
- 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 \$2,000 per month.
- Audit and legal fees are consistent with those paid during the equivalent period in 2019.
- Filing fees were higher during the current period due to an additional fee paid to the TSX Venture Exchange in connection with a change of a director of the Company.
- Office expenses were higher during current period, as the Company is now paying for external warehousing of documents and a higher share of office rental.
- Interest related to the Loan Agreement and Subsidiary agreement are described above in Section 2(b). As the principal amount outstanding increases over time, so do the interests incurred.
- Foreign exchange rates have been very volatile during the current period due to Covid-19, affecting both the foreign exchange loss and the exchange differences on translating foreign operations.



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

b) Most recent quarter:

	Three months ended September 30				
	2020	% of	2019	% of	% change
	\$	expenses	\$	expenses	
Cash expenses					
Administration and accounting	15,000	36.69%	15,000	42.13%	0.00%
Audit and legal	6,329	15.48%	2,999	8.42%	111.04%
Directors' fees	6,000	14.68%	6,000	16.85%	0.00%
Property examination costs	5,947	14.55%	6,417	18.02%	-7.32%
Filing and transfer agent fees	4,510	11.03%	4,628	13.00%	-2.55%
Office and sundry	3,094	7.57%	561	1.58%	451.52%
Total cash expenses	40,880	100.00%	35,605	100.00%	14.82%
Non-cash expenses					
Interest on loans	8,476		12,356		
Foreign exchange loss (gain)	(7,903)		4,566		
Total non-cash expenses	573		16,922		
Loss for the period					
Exchange differences on translating foreign operations, net of tax	(41,453)		(52,527)		
	(6,039)		4,605		
Total comprehensive loss for the period					
	(47,492)		(47,922)		

Audit and legal costs were higher than during the comparable period of the prior year mainly because the Company had its annual general meeting during the third quarter of 2020, whereas in 2019 the annual general meeting took place during the second quarter.

Office expenses also increased as the Company is now paying an external warehouse for documents.

4.- Summary of quarterly results:

	Quarter ended (three-month figures) (\$)							
	30-Sep 2020	30-Jun 2020	31-Mar 2020	31-Dec 2019	30-Sep 2019	30-Jun 2019	31-Mar 2019	31-Dec 2018
Loss before other expenses	(32,977)	(25,097)	(71,241)	(32,138)	(40,171)	(34,165)	(55,716)	(71,970)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Loss for the period	(41,453)	(34,345)	(82,784)	(92,795)	(52,527)	(45,184)	(65,018)	(140,855)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Other comprehensive income (loss)	(6,039)	5,172	43,066	(7,704)	4,605	3,791	1,518	58,437
Per share, basic and diluted	(0.00)	0.00	0.00	(0.00)	0.00	0.00	0.00	0.00
Total comprehensive loss	(47,492)	(29,173)	(39,718)	(100,499)	(47,922)	(41,393)	(63,500)	(82,418)
Per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	76,642	48,005	87,697	32,841	110,700	52,712	57,732	22,659
Total liabilities	954,543	878,414	888,933	794,359	771,719	665,809	629,436	530,863
Shareholders' deficiency	(877,901)	(830,409)	(801,236)	(761,518)	(661,019)	(613,097)	(571,704)	(508,204)
Cash dividends declared	Nil		Nil	Nil	Nil	Nil	Nil	Nil



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

During the September 2020 quarter, the Company held its annual general meeting of shareholders, with associated costs.

During the March 2020 quarter the Company incurred higher expenses than during the equivalent period in 2019 due to higher audit accruals and higher interest due to larger loans with Autlan (See Section 2(b), above).

The expenses for 2019 were consistent from quarter to quarter, with slightly higher amounts for the quarters ended March 31 and September 30, as the concession fees in Mexico are paid in January and July. However, during the last quarter of 2019, the Company wrote off certain Mexican taxes recoverable due to uncertainty in their recoverability.

During the December 2018 quarter the Company wrote off a significant amount of Mexican value-added tax recoverable (IVA) of approximately \$61,000 in relation to the debt forgiven by Autlan in June of 2017, resulting in a higher than usual net loss.

5.- Liquidity and working capital

	September 30, 2020	December 31, 2019
	\$	\$
Cash and cash equivalents	31,076	30,326
Accounts receivable (Canadian GST)	1,516	1,195
Total liquidity	32,592	31,521
Prepaid expenses and deposits	1,545	1,320
Advance payment of mineral concessions	6,047	-
Accounts payable and accrued liabilities	(13,964)	(20,063)
Amounts due to related parties	(7,395)	(7,448)
Loans with related party	(933,184)	(766,848)
Working capital deficiency:	(914,359)	(761,518)

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.



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

Covid-19 Pandemic

The COVID-19 pandemic has negatively impacted global financial markets and may continue to do so. The economic viability of the Company's business plan is impacted by its ability to obtain financing, and global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues.

In addition, as the health and safety of the Company's employees, contractors, visitors, and stakeholders are the Company's top priority, the Company will monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, and will implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and the stakeholders. Such changes may include, but are not limited to, temporary closures of the Company's site exploration activities or offices and deviations from the timing and nature of exploration plans.

The Company would take the necessary measures to renegotiate, if required, any contractual obligations with respect to potential exploration and other expenses. The Company will also examine the internal controls required for a secure operation of its computer and other electronic resources for operation from a remote location.

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:	2020	2019
	\$	\$
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:	900	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:	18,000	18,000
Advances pursuant to the Loan Agreement (Section 2(b) above):	123,486	134,300
Advances pursuant to the Subsidiary Agreement as explained in Section 2(b) above:	63,934	94,605
Interest accrued on Loan Agreement and Subsidiary Agreement:	29,267	32,677



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

The following amounts were due to related parties:

	As at: September 30, 2020	December 31, 2019
	\$	\$
Amounts owed to Autlan pursuant to Loan Agreement:	530,852	391,572
Amounts owed to Autlan pursuant to Subsidiary Agreement:	402,332	375,276
Amounts due to InterAmerica in management fees and reimbursable expenses (paid subsequently):	5,295	5,348
Director's fees owed to Midas (paid subsequently):	2,100	2,100
	940,579	774,296

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, 2019 and the Interim Statements.

Adoption of new accounting standards

No new accounting standards or IFRS pronouncements were adopted during the nine months ended September 30, 2020.



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

11.- Financial instruments

With the adoption of IFRS 9, the Company has classified cash, accounts receivables, accounts payable and accrued liabilities, value-added tax payable, 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, 2020, 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 \$42,000 (December 31, 2019 - \$26,000), and its net loss for the year by approximately \$5,000 (December 31, 2019 - \$2,000).

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 6 to the Interim Statements and section 2(b), above. A change 1% change in interest rate would affect the interest by approximately \$12,500 based on the principal outstanding as at September 30, 2020.

Liquidity risk

The Company will depend on the advances provided by Autlan through the Loan Agreement and the Subsidiary Agreement. The liquidity risk relates to the low cash position and the dependence on these advances. See Note 1 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. These financial 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



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

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.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the nine months ended September 30, 2020, and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at www.sedar.com.

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.



(An exploration-stage company)

Form 51-102F1

Management's Discussion & Analysis

Nine months ended September 30, 2020

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, news releases, etc., are available on the CSA's System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. Additional 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, 10 and 11 thereto.

ii) Section 5.4: Share Capital: please refer to Note 7 to the Interim Statements.

As at the date of this MD&A, the Company has 19,085,071 common shares issued and outstanding, and no stock options or warrants outstanding.

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