



GLR Resources Inc.

Management's Discussion and Analysis
of the Financial Condition and Results of Operations
For the Years Ended December 31, 2006 and 2005

March 29, 2007

GLR Resources Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis has been prepared based on information available to GLR Resources Inc. ("GLR" or the "Company") as at March 29, 2007 and compares its 2006 results with those of the previous year. This discussion and analysis ("MD&A") should be read in conjunction with the Company's audited financial statements and the related notes for the year ended December 31, 2006, which have been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts referred to in this MD&A are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Management's Responsibilities for Financial Reporting and Controls

The Financial Statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles and have been approved by the Company's board of directors (the "Board"). The integrity and objectivity of these Financial Statements are the responsibility of management. In addition, management is responsible for ensuring that the information contained in this MD&A is consistent, where appropriate, with the information contained in the Financial Statements.

In support of this responsibility, the Company's management maintains a system of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. When alternative accounting methods exist, management has chosen those methods it deems most appropriate in the circumstances. The Financial Statements may contain certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis to ensure that the Financial Statements are presented fairly in all material respects.

The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its audit committee. The audit committee is appointed by the Board and has several financial experts who are not involved in the Company's daily operations. The audit committee meets periodically with management and the external auditor to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the Financial Statements with the external auditors.

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Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this MD&A, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109— *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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Cautionary Note Regarding Forward-looking Information

This document contains or refers to forward looking information. Such forward looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, unit costs, capital costs, timing of commencement of operations and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

General

During 2006, the Company completed two private placements raising approximately \$3.3 million in gross proceeds. A further \$210,000 was raised through the exercise of broker warrants. The Company also advanced its Goldfields project ("Goldfields") feasibility study, see ***Review of Operations – Goldfields Project*** of this MD&A.

For comparative purposes, in 2005 the Company received shareholder approval for (i) the distribution to its shareholders of 12,000,001 common shares of Uranium City Resources Inc. ("UCR") that it owned and (ii) the reduction in the stated capital of Company in the amount equal to the value attributed to such common shares. As a result, 11,999,865 common shares of UCR were distributed (the "Distribution") to GLR shareholders and the resultant value (\$4,280,926 – approximately \$0.36/share multiplied by 11,999,865 shares) of the Distribution reduced the stated capital of the Company.

As a result of the Distribution, the 2005 financial results of GLR are no longer consolidated and do not include the accounts of UCR.

Overall Performance

As at December 31, 2006, the Company had assets of \$10.0 million and a net equity position of \$9.5 million. This compares with consolidated assets of \$7.3 million and a net equity position of \$6.3 million in 2005.

Assets increased to \$10.0 million in 2006, with the Company's cash position increasing by \$0.7 million to \$1.8 million (2005 - \$1.1 million) and mineral properties and deferred exploration expenditures increasing by \$1.4 million to \$7.3 million. GLR's increased cash position over 2005 was a result of cash raised in financing activities of \$2.8 million (2005 - \$1.9 million) offset by cash used in operating activities of \$0.6 million (2005 - \$0.6 million) together with funds used for investing activities of \$1.5 million (2005 - \$3.5 million).

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For the year ended December 31, 2006, the Company posted a net loss of \$0.8 million, or a loss of 2.1¢ per share on a basic and fully-diluted basis (2005 - \$2.2 million net income, or 7.3¢/7.2¢ per share – basic/fully diluted). Net loss is comprised of management fees and other income of \$281,000 (2005 - \$87,000) together with the gain on the Distribution of \$Nil (2005 - \$4.0 million) offset by the following expenditures, costs and write-downs: Financing fees of \$3,000 (2005 - \$16,000), public relations and shareholder information expenditures of \$166,000 (2005 - \$308,000), professional and consulting costs of \$244,000 (2005 - \$436,000), general and administrative expenses of \$302,000 (2005 - \$397,000), stock-based compensation of \$462,000 (2005 - \$271,000) and write-downs of \$103,000 (2005 - \$105,000).

Review of Operations –

The Company has several gold, base metal and platinum group metal properties within its portfolio with the most advanced being the 100%-owned Goldfields Project consisting of two open pittable gold deposits.

Goldfields Project, Northern Saskatchewan:

In 2007 site work will move forward in three areas: first the detailed design work will be completed on the Box Mine/Mill complex; second procurement will begin on equipment to allow transport on the 2008 winter road and third construction support facilities such as camp and office facilities will be put in place prior to 2008 construction. Goldfields will be the focus of the Company for 2007.

On February 27, 2006, the Company entered into an agreement with Investec Bank (UK) Limited (“Investec”) for the provision of project financing services for Goldfields. Under the terms of the agreement, Investec will arrange and underwrite the project debt (the “Facilities”) for Goldfields, located in Beaverlodge Area of Northern Saskatchewan. As compensation for its services under the agreement, an arranging fee of 2.5% of the amount of the Facilities is to be paid to Investec on the following basis: (i) A monthly work fee of US\$50,00, in advance, commencing in February, 2006; (ii) a flat fee of US\$50,000 payable upon signing of the Facilities and (iii) the balance of the fee due on the earlier of 3 months after the signing of the Facilities and the first drawdown under the Facilities. As at December 31, 2006, GLR has paid \$314,000 (US\$275,000) to Investec. In addition, Investec has been issued 250,000 common shares of the Company.

Hurd-McAuley (“Hurd-McAuley”) Property, Kirkland Lake, Ontario:

No exploration work is planned on this property in the first half of 2007. GLR is following developments on the Kirkland Lake Gold Inc. property immediately north of Hurd-McAuley before planning any further drilling activity.

Kirkland West Property, Kirkland Lake, Ontario:

This property covers over 7 km of the Kirkland Larder lake fault zone and is located 5 km west of the Kirkland Lake Gold Inc. Macassa mine. Several holes have been drilled on the property some having returned large widths of low-grade gold. GLR plans on drilling 4 to 5 holes in 2007 below these existing holes.

Stares Property, Northwestern Ontario:

GLR and its joint venture partner (RJK Explorations Inc. (“RJK”)) plan to drill 4 to 5 holes on this property during 2007. The purpose of the drilling is to locate the source of the high-grade zinc/gold boulders.

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Goldie Property, Northwestern Ontario:

GLR and RJK are planning a 4-5 hole drill program on this property during 2007. Past drilling has returned 1.73 G/T gold over 14.5 metres and 1.37 G/T over 12.4 metres. The companies recently completed a 60 km induced polarization geophysical survey. Several drill targets were outlined by the survey.

Casa Berardi Property, Puisseaux-Orvilliers, Quebec:

This property consists of 65 claims over 1,040 hectares and is located along the Casa Berardi fault. No work has been carried out since the 1980's. Drilling during that period returned interesting gold values from 1.2 feet of 0.735 oz/t gold to 115.4 feet of 0.042 oz/t gold. Presently there are several companies doing exploration around this property. GLR plans some geochemical work in 2007 and possibly some drilling as well.

Selected Annual Information

The following financial data is derived from the Company's audited financial statements and related notes for the year ended December 31, 2006:

	2006	2005
	\$000's	\$000's
Total revenue	281	87
Net income (loss) for the year	(807)	2,246
Net income (loss) per share - basic	(2.1)¢	7.3¢
Net income (loss) per share – fully diluted ¹	(2.1)¢	7.2¢
Total assets	10,021	7,261
Long-term liabilities	419	762
Total equity	9,549	6,335
Cash dividends declared per common share	0.0¢	0.0¢

¹Only those options and warrants with average exercise prices "in-the-money" are included.

Revenues earned in 2006 are a result of interest income of \$23,000 (2005 - \$24,000) and management fees earned by GLR from UCR under a purchase and sale agreement, pursuant to which GLR, as manager, receives from UCR a fee equal to 5% of all amounts paid by UCR to third parties pursuant to drilling contracts, 10% of all other expenditures incurred directly or indirectly in connection with such exploration and development operations and 3% of all expenditures incurred after commencement of production. In 2005,

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management fees earned up to the point of the Distribution have been eliminated. Management fees for 2006 totalled \$258,000 (2005 - \$63,000).

The decreased net income for 2006 compared to 2005 is mainly due to the gain on the Distribution made in 2005 of \$4.0 million, offset by the increased revenues of \$194,000 and future income taxes recoveries of \$679,000.

Assets increased in 2006 by \$2.7 million to \$10.0 million with increases to current assets of \$1.3 million and mineral properties and deferred exploration expenditures of \$1.4 million but offset by a decrease to cash of \$2.3 million.

Results of Operations

Year-ended December 31, 2006 compared to year-ended December 31, 2005

Net loss for 2006 was \$0.8 million compared to a net gain of \$2.2 million in 2005. The majority of the change was caused by decreased gains of \$4.0 million, increased stock-based compensation costs of \$191,000 offset by reduced operating expenses: administration costs of \$95,000, professional and consulting fees of \$92,000, public relations and shareholder information costs of \$142,000, increased management fees of \$195,000 together with increased tax recoveries of \$679,000.

Summary of Quarterly Results

The following financial data was prepared in accordance with Canadian generally accepted accounting principals:

2006	4 th Quarter \$000's	3 rd Quarter \$000's	2 nd Quarter \$000's	1 st Quarter \$000's
Total revenues	230	18	25	8
Net income (loss)	692	(191)	(1,116)	(192)
Net income (loss) per share-basic	1.7¢	(0.5)¢	(2.8)¢	(0.5)¢
Net income (loss) per share-fully diluted	1.6¢	(0.5)¢	(2.8)¢	(0.5)¢
Total assets	10,020	9,127	9,438	7,175
Long-term liabilities	419	497	615	695
Shareholders' equity	9,549	8,592	8,701	6,411
Cash dividends declared per common share	0.0¢	0.0¢	0.0¢	0.0¢

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2005	4 th Quarter \$000's	3 rd Quarter \$000's	2 nd Quarter \$000's	1 st Quarter \$000's
Total revenues	(25)	73	27	12
Net income (loss)	(2,268)	5,163	(187)	(462)
Net income (loss) per share-basic	(6.9)¢	16.8¢	(0.6)¢	(1.5)¢
Net income (loss) per share –fully diluted ⁽¹⁾	(6.1)¢	16.3¢	(0.6)¢	(1.5)¢
Total assets	7,261	6,348	8,635	8,794
Long-term liabilities	762	988	221	241
Shareholders' equity	6,335	5,287	6,543	6,695
Cash dividends declared per common share	0.0¢	0.0¢	0.0¢	0.0¢

⁽¹⁾Only options and warrants that are "in-the-money" are included.

Liquidity and Capital Resources

In management's view, the Company's liquidity and solvency are critical information since GLR is not currently generating any income from its mineral properties.

The mineral properties of GLR are in the exploration and development stage and, as a result, the Company has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The development of any ore deposits found on the Company's exploration properties depends on the ability of the Company to obtain financing through debt financing, equity financing or other means. If the Company's exploration programs are successful, additional funds will be required to develop the Company's properties and, if successful, to place them into commercial production. The only sources of future funds presently available to GLR are through the exercise of outstanding stock options, the sale of equity capital of the Company or the sale by GLR of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that GLR will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of GLR may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in some or all of its properties and reduce or terminate its operations.

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During the year ended December 31, 2006

On December 19, 2006, GLR completed a non-brokered private placement (the "December Financing") for aggregate gross proceeds of \$1.0 million through a sale of 1,960,784 flow-through units of the Company at a price of \$0.51 per unit. Each unit consists of one "flow-through" common share and one-half of one common share purchase warrant. Each whole purchase warrant entitles the holder to purchase one non-flow-through common share of the Company for \$0.65 at any time before December 19, 2007 and thereafter until December 19, 2008, for \$0.75 per common share.

In regard to the December Financing, the Company paid a finder's fee to Limited Market Dealer Inc. ("LMDI") comprised of a cash commission equal to 5% (\$50,000) of the gross proceeds raised together with certain disbursement recoveries and due-diligence expense recoveries payable to LMDI under an agency agreement (such amounts being charged to common shares). Additionally, GLR granted to LMDI, non-transferable warrants to purchase 196,078 units of the Company exercisable at a price of \$0.51 per unit until December 19, 2008. Each unit consists of one common share and one-half of one common share purchase warrant with each whole common share purchase warrant entitling the holder to purchase one common share at any time prior to December 19, 2007 at a price of \$0.65 and thereafter until December 19, 2008, for \$0.75 per common share. The securities issued pursuant to the December Financing are subject to a 4-month hold period until April 20, 2007.

On April 24, 2006, the Company completed a non-brokered equity private placement (the "April Financing") with Investec Bank (UK) Ltd. ("Investec") for net proceeds totaling approximately \$2.3 million (US\$2 million).

The April Financing consisted of 4,596,000 units of at a price of \$0.50 unit. Each unit consisted of one common share of the Company and one-half of one share purchase warrant. Each whole purchase warrant entitled Investec to purchase one common share of the Company for \$0.60 until April 23, 2008.

On February 27, 2006, the Company entered into an agreement with Investec for the provision of project financing services for Goldfields. Under the terms of the agreement, Investec will arrange and underwrite the Facilities for Goldfields. As compensation for its services under the agreement, an arranging fee of 2.5% of the amount of the Facilities will be paid to Investec on the following basis: (i) A monthly work fee of US\$50,00, in advance, such amount having commenced in February, 2006; (ii) a flat fee of US\$50,000 payable upon signing of the Facilities and (iii) the balance of the fee due on the earlier of 3 months after the signing of the Facilities and the first drawdown under the Facilities.. In addition, Investec has been issued 250,000 common shares of the Company. These costs have been recorded as an asset on the balance sheet of the Company.

In addition to the shares and warrants issued in connection with the April Financing, the December Financing and the Facilities (totalling 6,806,783 shares and approximately \$3.3 million in net proceeds), the Company also issued 75,000 common shares to acquire mineral properties, 427,989 shares on the exercise of broker warrants and 131,250 on the exercise of warrants, resulting in net proceeds to the Company of approximately \$210,000.

During the year ended December 31, 2005

During 2005, the Company completed a private placement that closed in two parts. On December 2, 2005, it closed on the hard-dollar component that consisted of 2,000,000 Class B units, for gross proceeds of

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\$500,000. On November 25, 2005, GLR closed on the flow-through component that consisted of 2,666,666 flow-through units raising gross proceeds of \$800,000.

Each unit consisted of one Class A voting common share of the Company (a "common share") and one-half of one common share purchase warrant (each whole purchase warrant a "Unit Warrant"). Each Unit Warrant is exercisable into one common share until December 2, 2007, at an exercise price of \$0.30. Also, in connection with this placement, Northern Securities Inc. ("Northern") acted as agent and was paid a cash commission equal to 7% of the aggregate gross proceeds raised under this offering. Northern also received 200,000 non-assignable broker warrants (the "Broker Warrants"). Each Broker Warrant entitles Northern to purchase one unit (a "Broker Unit") at a price of \$0.27 until December 2, 2007. Each Broker Unit consists of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant a "Broker Unit Warrant"). Each Broker Unit Warrant entitles the holder thereof to purchase one common share at a price of \$0.30 until December 2, 2007.

Each flow-through unit consisted of one "flow-through" common share one-half of one common share purchase warrant. Each flow-through unit warrant is exercisable into one common share until November 25, 2007, at an exercise price of \$0.35. Also, in connection with this placement, Northern acted as agent and was paid a cash commission equal to 7% of the aggregate gross proceeds raised under this offering. Northern also received 266,666 non-assignable warrants. Each flow-through broker warrant entitles Northern to purchase one broker unit at a price of \$0.27 until November 25, 2007. Each broker unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant a broker warrant). Each broker warrant entitles Northern to purchase one common share of the Company at a price of \$0.30 until November 25, 2007.

A total of 150,000 common shares were issued on the exercise of options at a weighted average exercise price of 38¢ per share which raised aggregate proceeds of approximately \$57,000.

The Company also issued 100,000 common shares in settlement of mineral property purchases valued in aggregate at approximately \$40,000.

620,083 broker warrants were exercised at a weighted average exercise price of \$0.50 each, raising aggregate proceeds of approximately \$310,000.

Working Capital

As of December 31, 2006, the Company has sufficient cash and receivables to satisfy its current obligations having bolstered its cash position by completing the April Financing and December Financing noted above. After selling costs, commissions and fees, the Company increased its working capital by approximately \$3,200,000. Of that, cash restricted to exploration expenditures increased by approximately \$900,000. Year-over-year, the cash position of GLR has increased by \$657,000 as a result of cash generated from financing activities of \$2.8 million offset by cash used in operations and investment activities of \$651,000 and \$1.5 million, respectively.

Transactions with Related Parties

The following transactions involved related parties:

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R.J. Kasner Co. ("RJKC") charged the Company a total of \$120,000 (2005 - \$120,000) in respect of the services of Robert Kasner as President & CEO of the Company. Robert Kasner, also a director of the Company, beneficially owns RJKC. This agreement is automatically renewed each January 1 unless notice of termination is provided by one party to the other by September 1 in any year, in which case the agreement terminates on December 31 of that year.

Glen C. Kasner Exploration Service charged the Company a total of \$28,000 (2005 - \$42,000) in respect of exploration management services. Glen Kasner is related to an officer and director of the Company. This agreement is automatically renewed each January 1 unless notice of termination is provided by one party to the other by September 1 in any year, in which case the agreement terminates on December 31 of that year.

Keshill Consulting Associates Inc. ("KCA") charged the Company a total of \$52,000 (2005 - \$59,000) in respect of the services of Stephen Gledhill as CFO of the Company. Stephen Gledhill beneficially owns KCA. The term of this agreement is ongoing with either party able to terminate upon 30 days written notice to the other.

1353150 Ontario Limited ("1353150") charged the Company a total of \$20,000 (2005 - \$18,000) in respect of rent for GLR's premises in Kirkland Lake. Robert Kasner, President & CEO and a director of the Company, beneficially owns 1353150. This lease expired on December 31, 2006. A new lease has been entered into for 2007.

Critical Accounting Estimates

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Actual results could differ from those estimates.

Nature of Operations

GLR is an exploration and mining company. Its mineral properties are currently being explored and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, as established in accordance with National Instrument No. 43-101, the ability of GLR to obtain the necessary financing to complete exploration and development and upon future profitable production or proceeds from disposition of such properties.

The Company tries to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and to make appropriate use of financial management resources.

Mineral Properties and Deferred Exploration Costs

The Company defers the costs of exploration and capital assets on existing projects and carries them as assets until production commences. Mineral properties and the deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related

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mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and related exploration expenditures are written off.

Senior management periodically reviews the carrying value of the mineral properties and deferred exploration expenditures to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the investment exceeds the estimated future cash flows. Where estimates of the future cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered and provides for impairment, if so indicated.

Issuance of Options and Warrants

GLR records employee stock-based compensation and warrant issuances using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued and are amortized over the vesting period. The offset to stock-based compensation is recorded to contributed surplus. Contributed surplus is relieved of these costs to the extent that the value of any exercised options or warrants is less than the current market price of the shares acquired by the holder of the options warrants.

The Company uses the Black-Scholes option pricing model to determine the value of all issued options and warrants. The table below summarizes the assumptions used with the Black-Scholes model for determining the value of the stock-based costs for the stock options and warrants issued in 2006 and 2005.

The weighted-averages used in the Black-Scholes option pricing method were as follows:

	2006	2005
Dividend Yield	-	-
Expected volatility	105.0%	105.0%
Risk-free interest rate	3.2%	4.0%
Expected life (years)	3	2

Asset retirement obligations

The Company records liabilities arising from asset retirement obligations as required by CICA 3110 - Asset Retirement Obligations. Since there are no projects under construction at this time, there are no legal obligations requiring remediation.

However, as the development of any project commences, senior management will assess whether an asset retirement obligation ("ARO") liability will arise. At the point where such liability arises, the financial statement adjustment required will be to increase the project's property value and related ARO liability by the discounted value of the total liability. Thereafter, the Company will be required to record a charge to earnings each year to accrete the discounted ARO obligation amount to the final expected liability.

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Impairment of long-lived assets

GLR assesses the impairment of its assets as required by CICA 3063 – Impairment of Long-Lived Assets. Senior management periodically reviews the carrying value of mineral properties and deferred exploration costs to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the investment exceeds the estimated fair value which is normally the discounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses if carrying value can be recovered and provides for impairment if so indicated, by reducing the carrying value of the property to its estimated fair value.

Other Information

Additional information regarding the Company, including the Company's annual information form, may be found on SEDAR at www.sedar.com.

Disclosure of Outstanding Share Information

The following table sets forth information concerning the outstanding securities of the Company as at March 29, 2007:

Common Shares of no par value	Number
Shares	42,905,872
Warrants	9,492,407
Options	3,655,000