

GFM RESOURCES LIMITED

(A development-stage company)

Form 51-102F1

Management's Discussion & Analysis

For the year ended December 31, 2008

This annual Management's Discussion & Analysis ("MD&A") should be read in conjunction with the annual audited consolidated financial statements for the fiscal year ended December 31, 2008.

1.- Date of this report: April 22, 2009.

2.- Overall Performance and events

a) Description of Business

GFM Resources Limited (the "Company") 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's majority shareholder, Compañía Minera Autlán, S.A.B. de C.V. ("Autlan") is a Mexican company listed on the Mexican Stock Exchange and active in manganese and ferroalloy operations in Mexico. Autlan is controlled at approximately 80% by Grupo Ferrominero, S.A. de C.V. ("Grupo"), a private Mexican holding company. Grupo also controls other companies in domains such as electronics, energy, textiles and investment banking.

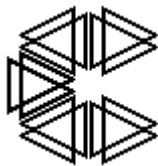
The Company was incorporated under the laws of British Columbia, Canada in 1987. During the year ended December 31, 2000, the Company continued its operation into the Yukon Territory, Canada, under the Business Corporation Act of Yukon, and registered as an extra-provincial company in British Columbia under the laws of British Columbia.

b) Financings

On March 1, 2007, the Company entered into a convertible Loan Agreement (the "Loan Agreement") with Grupo. Under the terms of the Loan Agreement, Grupo will fund amounts from time to time to a maximum of \$500,000 per year. Each advance will bear interest, commencing on the date of the advance, at the Prime Rate offered by the Company's bank on such date. The loan is repayable on demand.

Grupo has the right to convert the principal amount of each advance into units of the Company at the closing price of the Company's common shares on the TSX-V on the day before the advance (the "Conversion Price"). Each unit will consist of one common share and one common share purchase warrant. Each warrant will be exercisable for a period of one year from the date of issuance at the Conversion Price.

On September 30, 2007, an Amending Agreement was entered into whereby, should Grupo exercise its conversion right after one year from the date of the advance, then the principal amount of the advance will be converted only into common shares of the Company at the Conversion Price, instead of into units consisting of one common share and one share purchase warrant. Furthermore, the convertibility provision will be restricted to a maximum of five years from the date of each advance.



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Following guidelines of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3861 "Financial Instruments – Disclosure and Presentation", the convertible loan has two balance sheet components:

- a) a liability component, calculated as the discounted value of the complete obligation to Grupo at the end of the five-year convertibility term, discounted at a rate equivalent to a commercial rate for the loan if it had no convertibility option; the discount rate used was 15%. The liability component also includes the interest accrued to date and an accretion of the equity component; and
- b) an equity component, calculated as the difference between the discounted value of the complete obligation to Grupo and the principal amount owed.

During the year ended December 31, 2008, the Company received advances amounting to \$170,000 (2007 - \$255,000) from Grupo to fund its operations.

Accrued interest to date during year ended December 31, 2008 was \$34,788 (2007 - \$11,568). The advances bear interest rate based on the prime interest rate at the date of the advance.

c) Board and Officers

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

Erik C. Jurgensen	Director, Chairman of the Board	(Mexico)
José Antonio Rivero	Director	(Mexico)
Roman Friedrich III	Director, President and Chief Executive Officer	(Vancouver)
Jose H. Madero	Director	(Mexico)
James Robertson, P.Eng.	Director	(Vancouver)
Salvador Miranda	Chief Financial Officer	(Vancouver)
Stephen Wortley	Secretary	(Vancouver)

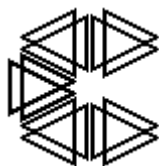
Mr. Jurgensen was appointed Chairman of the Board on October 7, 2008.

d) Acquisition of La Casita and option to Geologix.

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.

On August 8, 2008, the Company entered into a formal Option Agreement (the "Option Agreement"), superseding a previously signed Letter of Intent, to option La Casita to Geologix Explorations Inc. (TSXV: GIX "Geologix").

Under the terms of the Property Agreement, the Company will pay Grupo a consideration of 150,000 common shares for the acquisition of 100% of the rights to the claims comprising La Casita property, plus the staking costs of two additional claims under application. The Company will also pay Grupo 10% of the cash amounts received from Geologix under the Option Agreement, following the same payment calendar as stipulated hereunder.



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The La Casita mineral property is located near the town of Rodeo, 163 kilometres north of the major capital city of Durango, Mexico. The property lies at the eastern margin of Sierra Madre Occidental, very close to the high plateau and shares the same basic geology as many of the precious metals prospects in this belt. It is considered a prospective early-stage exploration property. Work done on the La Casita property by Autlan in 1997, resulted in a new discovery of epithermal gold mineralization.

During 1998, rights to La Casita were transferred from Autlan to Grupo, and an I.P. survey, some soil geochemistry lines and a reverse circulation drill program consisting of 14 drill holes totalling 1740 meters was carried out, testing several mineralized structures in silicified and pyritized breccias, where the gold mineralization is hosted. The conclusions of this program indicated that further exploration at a greater depth and towards Cerro Colorado hill would be merited. More recent exploration performed in adjacent mineral claims by unrelated exploration companies has provided the Company with encouraging information to proceed with further exploration at La Casita.

Under the terms of the Option Agreement, in order to acquire a 60% interest in La Casita, Geologix will:

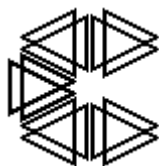
(i) Pay the Company US \$650,000 in cash over a period of up to four years as follows

a.	On signature of a definitive agreement	US	\$50,000	(Paid)
b.	On or before the first anniversary thereof	US	\$100,000	
c.	On or before the second anniversary thereof	US	\$125,000	
d.	On or before the third anniversary thereof	US	\$150,000	
e.	On or before the fourth anniversary thereof	US	\$225,000	
	Total	US	\$650,000	

(ii) Fund 100% of an exploration program totalling US \$1,875,000, as follows:

a.	On or before the first anniversary	US	\$125,000	
b.	On or before the second anniversary	US	\$250,000	
c.	On or before the third anniversary	US	\$500,000	
d.	On or before the fourth anniversary	US	\$1,000,000	
	Total	US	\$1,875,000	

Geologix will maintain the mineral concessions in good standing over the term of the option, and will have the right to accelerate the schedule of payments and work expenditures to earn its 60% interest.



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Once Geologix has earned its 60% interest in La Casita, a joint venture between Geologix and the Company will be formed. The initial operator will be Geologix (the "Operator"). The Operator will have three years to carry out further exploration, with a minimum annual expenditure budget of US \$625,000. Both parties may elect to contribute to the proposed budget or have their interest diluted.

A feasibility study may be proposed by the Operator, or by the other party if the Operator fails to do so, within three months of the end of the three-year joint venture period. If one of the parties elects not to participate in the funding of the feasibility study, the other party will earn an additional 11% interest in the joint venture by the completion of a positive feasibility study. If the feasibility study recommends taking the property into production and one of the parties does not elect to participate, the other party will earn a further 9% interest.

As at December 31, 2008, the Company has the following transactions related to La Casita:

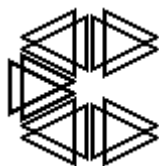
Obligation to issue 150,000 common shares at a deemed price of \$0.25 per share	\$ (37,500)
Option payment of US \$50,000 received under the Option Agreement	52,375
10% of the above amount paid to Grupo under the Acquisition Agreement	(5,237)
	<u>\$ 9,638</u>

These payments received under the Option Agreement are applied to any deferred mineral property costs, with any surplus credited to other income.

3.- Selected Annual Information

The following are summary figures for the last three fiscal years and are based on audited financial statements:

	Years ended December 31		
	2008	2007	2006
	\$	\$	\$
Interest (expense) income - net	(23,215)	(11,433)	581
Option payment revenue	9,638	Nil	Nil
Net loss	(295,502)	(302,439)	(807,718)
Per share, basic & diluted	(0.02)	(0.02)	(0.07)
Total assets	36,171	44,951	14,646
Long term liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil



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The interest reflected for 2008 includes the one due on the convertible loan agreement with Grupo.

The option payment revenue is explained in Section 2(d) above.

The comparatively higher interest expense for 2008 is mainly due to a higher liability amount from the previous year.

The comparatively higher loss during 2006 is mainly due to the write-off of the Atexcaco exploration expenses and to stock-based compensation. There were no comparable expenses during 2007.

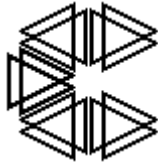
The net loss reported in 2008 and 2007 were comparable and explained in Section 4 below.

The higher figure for total assets in 2007 is mainly due to cash received from Grupo through the convertible loan described under Section 2(b) *financings*.

4.- Results of Operations

The following table summarizes the Year's expenses, compared to the same period during the previous fiscal year:

	Years Ended December 31		% of expenses	% change
	2008	2007		
	\$	\$		
<u>Cash expenses</u>				
Consulting fees	75,218	144,030	33.82%	-47.78%
Administration and accounting	54,021	59,328	24.29%	-8.95%
Audit	38,866	29,552	17.47%	31.52%
Legal	17,941	16,427	8.07%	9.22%
Travel and automobile	9,857	13,295	4.43%	-25.86%
Office rent	7,200	7,736	3.24%	-6.93%
Transfer agent fees	6,595	6,282	2.97%	4.98%
TSX sustaining fees	5,000	5,000	2.25%	0.00%
Office	3,840	4,464	1.73%	-13.98%
Filing fees	2,707	2,681	1.22%	0.97%
Promotion, news & dissemination	1,180	850	0.53%	38.82%
Training and development	-	1,230	0.00%	-100.00%
	<u>222,425</u>	<u>290,875</u>	<u>100.00%</u>	<u>-23.53%</u>
<u>Non-cash expenses</u>				
Accretion of convertible loan	16,607	5,960		
Stock-based compensation	43,627	-		
Unrealized foreign exchange	(734)	(5,829)		
	<u>59,500</u>	<u>131</u>		
Loss before other items	(281,925)	(291,006)		
Option payment revenue	9,638	-		
Interest (net)	(23,215)	(11,433)		
Loss and comprehensive loss	<u>(295,502)</u>	<u>(302,439)</u>		



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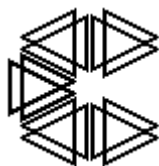
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The significant amounts or significant differences were as follows:

- The option payment revenue reflected for the current reporting period is due to the first payment by Geologix pursuant to the Option Agreement. Payments such as this one are applied as a reduction to the Company's deferred exploration expenses. If the amount of the payment exceeds the total amount of deferred exploration expenses, this difference is credited to income. For more information please refer to note 10 to the annual consolidated financial statements for the year ended December 31, 2008
- Consulting fees include the payments to the Chief Executive Officer, at a monthly rate of \$7,500. The decrease in consulting fees is due to the absence of fees paid to a consultant in Mexico, and the elimination of a \$16,000 amount previously accrued in 2006.
- Administration and accounting fees were consistent with the prior fiscal year.
- Audit costs increased due to the costs incurred with the change of auditors.
- Legal costs involved the negotiation of the Acquisition Agreement with Grupo and the Option Agreement with Geologix.
- Office rent for the period includes three months, at a monthly rate of \$600. In 2007, special facilities were rented to accommodate the auditors of the Company.
- Traveling expenses are related to management and board meetings and to visits to potential projects in Mexico.
- Training was related to a course paid to the Exploration Manager in the previous year.
- The stock-based compensation is non-cash expenses related to the vesting of stock options. For more information on the related calculation please refer to note 5(e) to the annual consolidated financial statements for the year ended December 31, 2008.
- The accretion of the convertible loan is related to a loan advance from Grupo. For more information on the related calculation please refer to note 4 to the annual consolidated financial statements for the year ended December 31, 2008.
- All other expenses were comparable with those of the previous year, or the amounts are not material in comparison to the ones explained above.



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5.- Summary of quarterly results:

	Quarter ended (three-month unaudited figures) (\$)							
	31-Dec 2008	30-Sep 2008	30-Jun 2008	31-Mar 2008	31-Dec 2007	30-Sep 2007	30-Jun 2007	31-Mar 2007
Revenues	-	9,638	-	-	-	6	6	6
Loss before other items	(53,463)	(76,589)	(87,751)	(64,122)	(115,949)	(50,000)	(62,318)	(62,739)
Per share, basic and diluted	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)
Loss	(59,950)	(73,264)	(93,739)	(68,549)	(120,116)	(53,329)	(64,882)	(64,112)
Per share, basic and diluted	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)
Total assets	36,171	60,776	41,648	39,141	44,951	34,835	40,202	17,983
Long term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The revenue reflected for the quarter ended September 30, 2008 is explained in Section 2(d) above.

The higher comparative loss for the quarters ended September 30 and June 30, 2008 were mainly due to the significant increase in the proration of the stock-based compensation expense.

The higher comparative loss of the quarter ended December 31, 2007 was mainly due to expenses incurred in Mexico for a geologist engaged in the examination of potential mineral property acquisitions.

6.- Liquidity and Working Capital

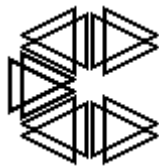
At December 31, 2008, the Company had cash, cash equivalents and receivables of \$36,171 (2007: \$43,701), and a working capital deficiency of \$(543,498) (December 31, 2007: \$(356,967)).

Receivables of \$13,860 (2007: \$14,257) include Canadian Goods and Services tax of \$1,603 (2007: \$1,871) and Mexican Value Added Tax of \$12,257 (2007: 12,386).

Prepaid expenses and deposits of \$Nil (2007: \$1,250) relates to quarterly TSX (NEX) sustaining fees, paid in advance in the prior year, but not in the current year.

Accounts payable and accrued liabilities of \$36,316 (2007: \$23,381) include current payables, and accruals for the 2008 audit, preparation of income tax return, annual filing fees and pending legal fees.

Amounts due to related parties of \$87,730 (2007: \$104,897) includes certain services provided by Grupo to the Company's Mexican subsidiary, and amounts due to the companies controlled by two officers of the Company.



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The liability component of the convertible loan with Grupo of \$418,123 (2007: \$273,640) is related to the cash advances indicated in Section 2(b) above, following the accounting treatment pursuant to CICA Handbook Section 3861. This component includes

- a) The discounted amount of the full obligation to Grupo for a term of five years at a rate equivalent to a commercial rate without the convertibility option;
- b) interest accrued to date; and
- c) accretion of the equity component of the loan.

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

7.- Capital resources

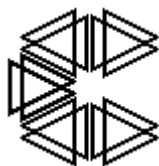
The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, and the Company's ability to acquire new properties and to achieve certain exploration milestones. In order to attain these objectives and to meet its operational obligations, the Company will continue to rely on the financial support from Grupo and/or Autlan.

8.- Off-Balance Sheet Arrangements

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

9.- Transactions with Related Parties

- a) The Company paid \$91,218 (2007: \$90,000) to Roman Friedrich & Company Ltd., a company controlled by Mr. Roman Friedrich in consulting fees as part of his engagement as President and Chief Executive Officer.
- b) The Company paid \$54,000 (2007: \$54,00) in accounting and office administration, and \$7,200 (2007: \$7,200) in office rent, respectively, to InterAmerica Consulting & Development Inc, a company controlled by Mr. Salvador Miranda, Chief Financial Officer of the Company.
- c) The Company paid legal fees of \$19,191 (2007: \$18,586), including share issue costs, to a law firm where Mr. Stephen Wortley, the Company's Corporate Secretary, is Managing Partner of the law firm.
- d) The Company received \$170,000 (2007: \$255,000) from Autlan and or Grupo from cash advances in order to fund the Company's operational needs. Additionally, an amount of \$34,788 (2007: \$11,382) of interest was accrued.
- e) The Company acquired the obligation to issue 150,000 common shares at a deemed price of \$0.25 per share to Grupo under the Property Agreement explained in Section 2(d).



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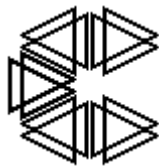
- f) The Company paid \$5,237 (2007: \$Nil) in connection to the Acquisition Agreement, and related to the first payment received pursuant to the Option Agreement described in Section 2(d).
- g) On March 11, 2008, the Company granted an aggregate 330,000 options, 290,000 of which were granted to directors and officers of the Company (Section 19b).
- h) Included in amounts due to related parties as at December 31, 2008 are \$5,433 (2007: \$5,518) owed to a company controlled by Salvador Miranda in administration and reimbursable expenses, and \$80,507 (2007: \$81,097) owed to Grupo or companies controlled by Grupo for services provided to the Company's Mexican subsidiary.

10.-Fourth Quarter 2008

During the quarter ended on December 31, 2008, the Company examined and visited several mineral projects as potential acquisition targets, conducted meetings and negotiations with their respective owners, and submitted an unsuccessful bid for one of them. The Company is currently reviewing other possible acquisition targets.

The results for the quarter are outlined below.

Three months ended December 31	2008	2007
	\$	\$
EXPENSES		
Administration and accounting	13,521	18,798
Amortization expense	-	(25)
Accretion of convertible loan	7,811	5,960
Audit and legal	16,818	4,277
Consulting	218	76,530
Filing and transfer agent fees	2,470	2,531
Foreign exchange (gain) loss	(5,214)	5,587
Office and sundry	2,400	2,291
Stock-based compensation	7,805	-
Travel	7,634	-
Loss before other income and expenses	(53,463)	(115,949)
Other income and expenses		
Interest - net	(6,487)	(4,167)
Loss and comprehensive loss for the period	(59,950)	(120,116)



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11.-Proposed Transactions

There are no specific proposed transactions as at the date of this MD&A.

12.-Changes in Accounting Policies, including Initial Adoption

The CICA has issued six new standards which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2008. The Company has adopted the requirements.

Section 1400 – Assessing Going Concern

This Section was amended to include requirements for management to assess and disclose an entity's ability to continue as a going concern. Please refer to Note 1 of the annual consolidated financial statements for the year ended December 31, 2008.

Section 1535 – Capital Disclosures

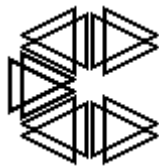
This Section establishes standards for disclosing information about an entity's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the entity's key management personnel:

- (i) qualitative information about its objectives, policies and processes for managing capital,
- (ii) summary quantitative data about what it manages as capital,
- (iii) whether during the period it complied with any externally imposed capital requirements to which it is subject, and
- (iv) when the company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

Please refer to Note 11 of the annual consolidated financial statements for the year ended December 31, 2008.

Section 3862 – Financial Instruments - Disclosures

This Section requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments.



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The Section requires specific disclosures to be made, including the criteria for:

- (i) designating financial assets and liabilities as held for trading;
- (ii) designating financial assets as available-for-sale; and
- (iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

Please refer to Note 8 of the annual consolidated financial statements for the year ended December 31, 2008.

Section 3863 – Financial Instruments - Presentation

This Section was issued to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

The presentation requirements established by this Handbook Section are included note 4 of the annual consolidated financial statements for the year ended December 31, 2008.

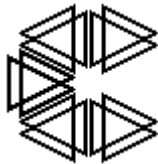
Future accounting and reporting changes

The following Sections, which have been pronounced but are not yet effective, are expected to have an impact on the Company in the coming years:

For interim and annual financial statements relating to its fiscal year commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements." The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard IAS 27 "Consolidated and Separate Financial Statements" respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by companies for the year ended on or after December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.



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13.-Financial Instruments and other Instruments

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and amounts due to related parties approximate their fair value due to the short-term nature of these instruments. The Company determines the carrying amount of Convertible loan by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability that does not have an associated equity component.

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

At the end of the Year, 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.

Interest rate and credit risk

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

Accounts receivable consist of goods and services tax due from the Federal Government of Canada, and Mexican Value Added Tax due from the Mexican Government. Management believes that the credit risk with respect to receivables is remote.

Liquidity risk

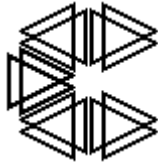
The Company currently depends on the advances provided by Grupo through the convertible loan instrument as explained in Section 2(b). The liquidity risk relates to the low cash position and the dependence on these advances.

14.-Management Responsibility over Financial Information

The Company's management is responsible for presentation and preparation of the annual consolidated financial statements and the MD&A. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

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

The 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 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.



GFM RESOURCES LIMITED

(A development-stage company)

Form 51-102F1

Management's Discussion & Analysis

For the year ended December 31, 2008

15.-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, Grupo 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.

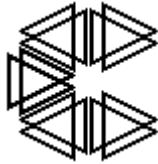
At the present time, the Company has no rights to a property of merit, and therefore its ability to raise capital is limited, having to rely on funding provided by Grupo or Autlan to meet its obligations, including the search for a property of merit.

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

16.-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 management discussion and analysis.

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.



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17.-Market volatility during the current reporting period

The capital markets around the world have experienced an unprecedented volatility during the year ended December 31, 2008 and to the date of this report. Should this volatility continue for a significant amount of time, it could affect any attempts by the Company to seek potential public financing.

The Company has depended in the past on financing from its majority shareholder and will likely continue to do so until a suitable project is found and until better market conditions take place.

18.- Cautionary note for USA readers

As a British Columbia corporation, the Company is subject to certain rules and regulations issued by the British Columbia Securities Commission ("BCSC") the Company is required to provide detailed information regarding its properties including mineralization, drilling, sampling and analysis, on security of samples and mineral reserve estimates. Further, the Company describes any mineral resources associated with its properties utilizing terminology such as "inferred" or "indicated" which are terms recognized by Canadian regulators but not recognized by the United State's Securities and Exchange Commission.

19.- Other MD&A requirements

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

Copies of all previously published financial statements, management discussions, meeting materials, etc., are available on the SEDAR website at www.sedar.com. Other Company information is available on its website at www.gfm-resources.com.

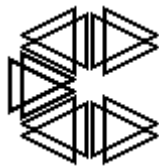
- b) Information pursuant to sections of National Instrument 51-102:

- i) Section 5.3: Please refer to statement of loss, and notes 2(g) and 10 to the annual consolidated financial statements for the year ended December 31, 2008.
- ii) Section 5.4: Share Capital: please refer to Note #5 to the annual consolidated financial statements for the year ended December 31, 2008.

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

Common shares, issued and outstanding: 12,794,746 (225,000 of which remain in escrow)

Stock options: 1,235,000 with a weighted-average exercise price of \$0.26 per option and a weighted-average expected contractual life of 2.30 years from the date of this MD&A. Each option entitles its holder to purchase one common share of the Company.



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The outstanding and exercisable options are allocated as follows:

Name	Position	No. of options	Exercise Price	Expiration Date
José Antonio Rivero	Director	106,500	\$0.10	June 30, 2010
		93,500	\$0.50	October 25, 2011
		40,000	\$0.25	March 11, 2013
Roman Friedrich III	Director and Officer (President & CEO)	80,000	\$0.10	June 30, 2010
		105,000	\$0.50	October 25, 2011
		80,000	\$0.25	March 11, 2013
Jose H. Madero	Director	40,000	\$0.25	March 11, 2013
Lizardo Galván	Consultant	80,000	\$0.10	June 30, 2010
		40,000	\$0.50	October 25, 2011
James Robertson	Director	80,000	\$0.10	June 30, 2010
		40,000	\$0.50	October 25, 2011
		40,000	\$0.25	March 11, 2013
Erik Jurgensen	Director (Chairman)	80,000	\$0.10	June 30, 2010
		40,000	\$0.50	October 25, 2011
		40,000	\$0.25	March 11, 2013
Salvador Miranda	Officer (CFO)	64,000	\$0.10	June 30, 2010
		36,000	\$0.50	October 25, 2011
		50,000	\$0.25	March 11, 2013
Stephen Wortley	Officer (Secretary)	16,000	\$0.10	June 30, 2010
		4,000	\$0.50	October 25, 2011
Sergio Hernández	Employee (Exploration Manager)	32,000	\$0.10	June 30, 2010
		8,000	\$0.50	October 25, 2011
		40,000	\$0.25	March 11, 2013
TOTAL		1,235,000	\$0.26	

The fully diluted capital of the Company as at the date of this MD&A is integrated as follows:

Shares issued and outstanding	12,794,746
Options outstanding and exercisable	1,235,000
Fully diluted	14,029,746

On behalf of the Board

GFM Resources Limited

(Signed) "Roman Friedrich III"

Roman Friedrich III
President and Chief Executive Officer

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