African Aura Resources Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarter ended March 31, 2009

This management discussion and analysis ("MD&A") has been prepared based on information available to African Aura Resources Limited (the "Company" or "African Aura") as at May 27, 2009. It is Management's assessment and analysis of the results and financial condition of the Company. The Company became a reporting issuer on March 31, 2008. This MD&A should be read in conjunction with the Company's consolidated financial statements and the related notes for the quarter ended March 31, 2009. The Company's consolidated financial statements and the related notes have been prepared in accordance with International Financial Reporting Standards (IFRS). For a reconciliation of these numbers to generally accepted accounting principles in Canada, refer to the Notes to the consolidated financial statements. The financial statements for the quarter ended March 31, 2009 have not been audited by the Company's auditors. All dollar amounts referred to in this MD&A are expressed in United States Dollars, unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com or on the Company's website at www.african-aura.com.

OVERVIEW

DESCRIPTION OF BUSINESS

African Aura is focused on gold, iron ore and uranium exploration and development in sub-Saharan Africa. Through its subsidiaries, the Company holds exploration licences in Cameroon and Liberia, with the aim of discovering and developing projects with economic potential. The Company will consider entering joint ventures on projects with other companies who would provide funding and specific expertise for their further exploration and development.

African Aura was incorporated in the British Virgin Islands on August 10, 1998 as Cogefi Finance Inc. under the International Business Companies Ordinance and laws of the British Virgin Islands. The Company changed the name to African Aura Resources Limited on January 20, 2004. On June 30, 2007 the Company changed its financial year end from December 31 to June 30. The financial statements contained in this and the activities described in the following management discussion and analysis relate to the operations of the Company.

Overview

Having initially selected gold as the commodity of prime interest, African Aura's strategy has been to target highly prospective, under-explored terrain in Liberia and Cameroon. Within African Aura, there is a continual process of technical assessment and evaluation of the prospectivity of each individual licence area. Through its subsidiaries the Company is presently undertaking exploration for gold, iron ore and uranium.

From late 2004, activity initially focused on gold exploration within two, 400km^2 exploration licences in Liberia which have since been reduced in size to 200km^2 each. In 2005 African Aura acquired data on historic mineral occurrences in Cameroon from the Bureau de Recherches Geologiques et Minières (BRGM) which showed that the country contains highly prospective geological domains for gold, uranium and iron deposits. Parts of the country are underlain by Archaean-age Congo Cratonic rocks, which is the same rock unit that hosts economic gold and iron deposits in the Democratic Republic of Congo and Gabon. Other parts of the country are underlain

by Palaeoproterozoic age rocks, dated to the Birimian, that enclose regional scale structures transecting prospective host lithologies with known gold endowment. The Company, through its subsidiaries, applied for and has been granted ten exploration licences in Cameroon totalling approximately 9,500km^2.

African Aura has identified two principle projects to date. Namely, the Batouri Gold Project in eastern Cameroon where drilling is ongoing to establish an initial resource and the Nkout Iron Project where the Company has defined a 10km long highly prospective zone for iron ore mineralisation based on results from reconnaissance sampling and mapping coincident with a 12km long airborne geophysical anomaly.

Significant events for the three months ended March 31, 2009 are summarised below.

Exploration results in the period

- On January 19, 2009 the Company reported encouraging results from reconnaissance exploration undertaken at the Nkout iron project. A total of 44 samples were collected from an initial 3km by 3.75km area on the flank of the Nkout ridge and these returned a maximum grade of 65% iron, and an average grade of 54% iron. X-ray diffraction and optical microscopy indicate that the samples comprise mainly high grade haematite along with magnetite and goethite.

- On February 4, 2009, the Company reported further encouraging gold assay grades from drilling at the Batouri Gold Project in eastern Cameroon with selected intersections including 35.1g/t over 1m, 10.0g/t over 2.5m and 2.3g/t over 6m.

Corporate events in the period

- On February 3, 2009, the Company announced that it had appointed Mr. David Swan as Chief Financial Officer and the appointment of Mr. Mark Biddulph as Chief Operating Officer based in Cameroon. In connection with these appointments, the Company accepted the resignation of Mr. Alex Gupta and Mr. Matthew Grainger as Chief Financial Officer and Chief Operating Officer respectively. Mr. Grainger continues to serve as a director of the Company.

- On February 4, 2009, the Company became aware, via a press release and the filing of a take-over bid circular and related offer documents by Northern Financial Corporation ("Northern") of its unsolicited C$0.06 per share cash offer to purchase all of the issued and outstanding common shares of the Company not already held by Northern.

Subsequent events:

- On April 15, 2009, the Company announced that it had entered into a legally binding Letter of Intent with Mano River Resources Inc. to conclude an agreement to merge, in order to create a sub-Saharan Africa focused explorer and producer with substantial iron and gold assets. On May 15, the Company announced that it had extended the deadline by which to conclude procedural

matters in respect of the proposed business combination from May 15, to June 12, 2009.

- On April 29, 2009, the Company was made aware that Northern had announced that effective immediately it had withdrawn its offer to acquire all of the issued and outstanding common shares of the Company.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING AND CONTROLS

The Interim Consolidated Financial Statement of the Company for the three, six and nine months ended March 31, 2009 (with comparatives for the three, six and nine months ended March 31, 2008); and the financial year ended June 30, 2008, have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and have been reviewed by the Company's Audit Committee and approved by the Company's Board of directors (the "Board"). The integrity and objectivity of these Consolidated 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 Consolidated 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 Consolidated Financial Statements may contain certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the Consolidated 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 three independent members who are not involved in the Company's daily operations. The Audit Committee meets periodically with Management and/or 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 Consolidated Financial Statements.

SUMMARY OF PERFORMANCE

The Company is a mineral exploration and development company, and currently has no income producing properties.

OPERATIONS REVIEW

The following describes a review of the Company's operations in the period. In light of current poor market conditions for the securities of publicly traded exploration and

development companies, African Aura is continuing to make cost reductions and efficiencies and is constantly reviewing its expenditure and budgets on a project by project and month by month basis in order to optimise use of shareholder funds. The Company's board continuously monitors potential strategic growth opportunities to create shareholder value.

Cameroon, Central Africa

Batouri gold project, eastern Cameroon

The Batouri licence covers an area of 1,000km^2 in eastern Cameroon. It hosts a 16km long and up to 800m wide discontinuous trend of gold mineralisation as defined by the Company's soil sampling programmes and artisanal gold workings.

Three granite-hosted prospects have been defined to date at Kambele, Dimako, and Amndobi. All three prospect are quartz vein hosted either as stockworks or within shear zones.

Project status as at May 27, 2009:

- 68 holes for a total of 6,945m have been drilled at the Kambele prospect. Selected intercepts at Kambele from assays received to May 27, 2009 include 132g/t over 1m, 66g/t over 2.67m, 49g/t over 1.5m and 43g/t over 1.5m, 35g/t over 1m and 3.77g/t Au over 9m.

- 15 holes for a total of 1,539m have been drilled at the Dimako prospect. Assays from the first 5 holes returned to date include 12.0g/t over 2.4m from hole DMDD001 and 16.44g/t Au over 1.10m from DMDD003 with visible gold intersected in two further holes.

- A programme of 2939 metres in 29 holes undertaken to test potential parallel structures outside the main Kambele-Bote zone intersected visible gold in one hole, but otherwise failed to intersect significant mineralisation.

- At time of filing an infill drill programme is underway on the high grade Kambele III and Bote areas to establish an initial resource; the most recently completed hole (KBDD069) contains multiple specs of visible gold in one section.

- Trenching has been undertaken at the Amndobi prospect 8km North West of Kambele. The prospect is defined by an 8km gold in soil anomaly above 35ppb Au. Eight trenches have been dug and sampled to date. Trench AMDTR009 has returned a broad, low grade zone of 0.51g/t Au over 44m, with higher grade intercepts of 0.59g/t over 12m and trench AMDTR012 (200m southwest of AMDTR009) has returned a zone of 0.41g/t Au over 26m. Extensions to existing trenches and an additional ten trenches to test the soil anomaly have been planned. A phase one drill programme of heel to toe fences and scissor holes is also planned to be completed across the best trenches.

Nkout iron ore project, southern Cameroon
The Nkout iron ore prospect is located within the 998km^2 Djoum licence and targets iron ore and gold in southern Cameroon. The licence encompasses approximately 75km of an Archaean greenstone belt which was mapped through interpretation of aeromagnetic data. The greenstone belt extends for a further approximately 75km northwest into the Company's contiguous Akonolinga licence.

The prospect was identified by interpretation of historic airborne magnetic and remote sensing data which defined a 10km long discontinuous ridge coincident with a magnetic dipole.

The sub-region hosts a number of significant iron deposits which are currently under exploration and development including the Mbalam deposit which is under development by Sundance Resources Limited and located approximately 150km to the south east. The Company considers that the dimensions of Nkout and the surrounding hills have significant potential for an economic iron ore occurrence.

Project status as at May 27, 2009:

- Reconnaissance sampling by the Company undertaken in 2008 returned assays results of up to 65% Fe and averaging 54% Fe from a 5km long section of the Nkout ridge.

- Subsequently in April and May 2009 a reconnaissance mapping programme has been completed by independent consultant G & T Exploration Services. The primary conclusion of the report is that a reconnaissance drilling programme be undertaken over four prospects areas defined to date.

- Joint Venture options for accelerating the exploration and development of Nkout are presently under review.

Akonolinga gold and iron ore project, southern Cameroon
The Akonolinga licence covers an area of 996km^2 targeting gold and iron ore in southern Cameroon. The licence contains greenstone rocks of Archaean age coincident with areas of artisanal alluvial gold mining. The licence encompasses approximately 75km of an Archaean greenstone belt which was identified through interpretation of aeromagnetic data. The greenstone belt extends approximately 75km further southwest into the Company's contiguous Djoum licence. The Company has undertaken licence-wide reconnaissance stream sediment and prospect scale soil sampling. Results from the stream sampling defined numerous drainages, within a 20km long and 10km wide corridor, in which gold has been concentrated. Follow up soil sampling has been completed across a 5km by 7.5km section of the area from which assay results have revealed a 1.7km long, NNE striking zone of gold anomalism.

Project Status as at May 27, 2009:

- In May 2009 G & T Exploration Services undertook a prospecting and mapping programme on behalf of the Company on the Akonolinga licence. The programme has identified three additional BIF (banded iron formation) targets close to the town of Sangmelima.

Ntem gold and iron ore project, western Cameroon
The Ntem licence covers an area of 987km^2 and targets gold and iron ore in Southern Cameroon. The licence contains greenstone rocks of Archaean age coincident with areas of artisanal alluvial gold mining. Reconnaissance stream sediment and prospect scale soil sampling have been undertaken by the Company on the project. Results have identified a gold mineralised contact between basement rocks belonging to the Ntem complex, which forms part of the Congo craton, and greenstone rocks of the Yaounde domain. A follow up programme of systematic trenching is planned which is designed to locate potential hard rock gold mineralisation. Meanwhile, reconnaissance mapping, stream sediment and soil sampling programmes are planned to define new prospect areas. Separately the company is designing an exploration programme for potential iron ore deposits as reported by historical mapping of the licence area.

The Company is regularly reviewing the exploration strategy for this licence in view of the exploration results on the Company's other licences and prevailing market conditions.

Rey Bouba gold project, northern Cameroon
The Rey Bouba licence covers an area of 992km^2 and targets gold in northern Cameroon. The licence encompasses an 80km long splay off the Central African Shear Zone (CASZ), called the Tchollire Banjo Fault. This structure transects back arc basin volcano-sedimentary rocks of Birimian age and is coincident with artisanal gold mining occurrences.

Reconnaissance mapping within the licence has identified several areas of both active and historic artisanal gold mining activity. Analysis of historical geochemical data and geological mapping by the Company's geologists has defined a 12km long structure on which the Company has conducted a soil sampling programme across an area of 1.5km^2.

Subject to further analysis of exploration results, the Company plans to undertake a programme of systematic trenching and to extend the soil sampling grid along the trace of the structure in order to define further areas of gold anomalism for subsequent trenching and ultimately drilling. Soil sampling and trenching programmes may also be undertaken across other areas displaying evidence of hard rock artisanal gold mining.

The Company is regularly reviewing the exploration strategy for this licence in view of the exploration results on the Company's other licences and prevailing market conditions.

Tchollire gold project, northern Cameroon
The licence covers an area of 992km^2 and targets gold in northern Cameroon. It encompasses a kilometric scale fold structure, defined by geological interpretation of satellite images, within volcano-sedimentary rocks of Palaeoproterozoic age with possibly structurally controlled occurrences of active artisanal gold mining. Reconnaissance mapping within the licence has identified several areas of both active and historic artisanal gold mining activity.

The Company is regularly reviewing the exploration strategy for this licence in view of the exploration results on the Company's other licences and prevailing market conditions.

Essong uranium project, southern Cameroon

The Essong licence is held by the Company's 70% owned subsidiary Ridgeway Energy Limited and covers an area of 991km^2 targeting uranium in southern Cameroon. It encompasses several mapped uranium occurrences recorded by the BRGM in Archaean age rocks. Reconnaissance stage exploration has indicated that an area in the west of the licence contains anomalous uranium which will be field checked.

While the licence for this project will be retained, a strategic review of the Company's licences and holdings has determined that the carrying value of this licence has been impaired and an appropriate adjustment has been made in the profit and loss account.

Bantadje uranium project, northern Cameroon

The Bantadje licence is held by the Company's 70% owned subsidiary Ridgeway Energy Limited and covers an area of 482km^2 targeting uranium in northern Cameroon. It encompasses two uranium occurrences mapped by the BRGM in volcano-sedimentary rocks of Neoproterozoic age. Results from the reconnaissance stage exploration undertaken by the Company have proven inconclusive.

While the licence for this project will be retained, a strategic review of the Company's licences and holdings has determined that the carrying value of this licence has been impaired and an appropriate adjustment has been made in the profit and loss account.

Ekomedion and Mbanga uranium and rare earth element licences

The Ekomedion and Mbanga licences are held by the Company's 70% owned subsidiary Ridgeway Energy Limited and cover an area of 992km^2 and 1,000km^2 respectively in northern Cameroon.

The Ekomedion licence targets a known granitoid hosted Molybdenum-Uranium occurrence and pegmatite hosted Rare Earth Element occurrence. The adjacent Mbanga licence targets roll-front and unconformity hosted uranium occurrences in a Cretaceous age sedimentary basin containing quartzites and other coarse clastic facies.

Joint Venture options for accelerating the exploration and development of Ekomedian and Mbanga are presently under consideration.

The Company is regularly reviewing the exploration strategy for both of these licences in view of the exploration results on the Company's other licences and prevailing market conditions.

Liberia, West Africa

The Company holds two Mineral Exploration Agreements (exploration licences) in western Liberia for gold, related minerals and diamonds each covering an area of 200km^2. The licences are valid for 24 months from February 1, 2008 after which they

can be automatically converted to Mineral Development Agreements or application can be made to extend the exploration term.

North Bea gold project, western Liberia

The North Bea licence covers an area of 200km^2 in western Liberia. It contains the Fula Camp and Soso Camp shear zone hosted gold prospects, which are located 4.5km apart along a north south gold mineralised trend in Archaean age rocks. Both Fula camp and Soso camp are the subject of active hard rock and alluvial gold mining. The licence also hosts the Camp Israel diamond prospect which was the subject of the Heads of Agreement with Stellar Diamonds Limited which has since been terminated since no local kimberlite source for the diamonds could be located.

At the Fula Camp prospect the Company has undertaken a programme of soil sampling, trenching and drilling which has defined an 800m long gold bearing structure. Intersections from the drilling completed to date, totalling 2,163m across the project, include 3.14g/t Au over 12.45m, 5.37g/t Au over 9.85m, 2.41g/t Au over 21.35m and 4.27g/t Au over 6.30m. Approximately 1.3km north of the Fula Camp prospect the Company has undertaken a similar programme of soil sampling, trenching and drilling, which has defined a 450m long target. Trench results on this target included 17.29g/t Au over 5.6m and 3.3g/t Au over 15.0m. Drilling undertaken by the Company beneath these trenches failed to intersect significant mineralization, indicating that the zone of interest may be pinching and/ or plunging with depth. A follow up shallow drill programme will be required to test this zone.

East Kpo gold project, western Liberia

The East Kpo licence covers an area of 200km^2 in western Liberia and contains 40km of greenstone belts within Archaean age rocks. A number of prospects have been identified by the Company through its exploration programmes.

A licence-wide pan concentrate drainage survey undertaken by the Company identified five prospective areas which have subsequently been the subject of systematic soil sampling programmes. Results from these programmes indicated that follow up work was of merit and a programme of reconnaissance trenching has been undertaken on the Glubai prospect. Results from this trenching indicate a broad zone of mineralisation with assay results that include 68m grading 270ppb gold and 31m grading 272ppb gold.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This discussion and the financial statement and the documents incorporated by reference herein contain forward-looking information (as defined in the Securities Act (Ontario) and forward-looking statements (as defined in the United States Securities Exchange Act of 1934) (collectively referred to herein as "forward-looking statements"). Forward-looking statements express, as at the date of this financial statement, the Company's estimates, forecasts, projections, expectations and beliefs as to future events or results. Generally, forward-looking statements can be identified by the use of words such as "may", "will", "should", "plans", "anticipates", "believes", "estimates", "predicts", "intends", "potential" or the negative of such terms, or other comparable terminology. These forward-looking statements include, but are not limited to, statements regarding expectations of the Company as to the market price of gold, strategic plans, future commercial production, production targets, timetables,

mine operating costs, fixed asset expenses, and mineral resource and reserve estimates.

Forward-looking statements involve a number of risks and uncertainties beyond the Company's ability to predict or control. Therefore, actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements represent Management's best judgment based on information currently available. The Company does not assume the obligation to update any forward-looking statement. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to: general economic conditions, fluctuations in gold prices, fluctuations in petroleum prices, fluctuations in interest rates, exchange rate fluctuations, access to capital markets, risks associated with forward sales contracts, uncertainty of reserve and resource estimates, risks related to the nature of mineral exploration, mining and production, risks associated with the depletion of the Company's mineral reserves, uncertainty related to production schedules and operating costs, risks associated with the dependence on key personnel, uncertainty related to obtaining and maintaining licences and permits, competition, fluctuations in cash costs of gold production, risks related to title to mining Properties, outside contractor and construction risks, safety and other hazards, political risks, environmental risks and hazards, litigation uncertainty, fluctuations in share price and risks associated with arranging financing. The Company disclaims any obligation to update or revise these forward-looking statements except as required by applicable law.

DIVIDEND RECORD AND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends on Common Shares and does not currently have a policy with respect to the payment of dividends. The payment of dividends will depend on the earnings, if any, and the Company's financial condition and other factors as the directors of the Company consider appropriate.

RESULTS OF OPERATIONS

Review of the quarter ended March 31, 2009

Summary and comparison of consolidated results.

	Three months ended March 31, 2009	Three months ended December 31, 2008	Three months ended September 30, 2008	Financial year ended June 30, 2008	Financial period (6 months) ended June 30, 2007
	US$'000	US$'000	US$'000	US$'000	US$'000
Wages and Salaries	60	58	21	238	30
Directors' fees and salaries (incl. Stock based payments)	122	209	31	469	166
Admin. and office expenses	434	545	104	69	32
Depreciation and write-offs	6	8	-	188	25
Travel and subsistence	2	22	9	107	23
Foreign exchange	1	(38)	15	(143)	36
Loss on disposal of assets	621				
Derivative liability movement		(1,105)		49	
Interest Income	(21)	(127)	(56)	(304)	(33)
Net (profit) / loss	**1,225**	**(428)**	**124**	**575**	**988**
Net (profit) / loss per share in US cents	1.83c	(0.63)c	0.31c	1.42c	3.11c

The Company recorded a derivative liability on its balance sheet related to the warrants that were issued in connection with the Initial Public Offering on March 31 2008. The derivative liability is fair valued at each balance date, using the Black-Scholes option pricing model. A significant gain has been realised upon the reduction in this liability at 31 March 2009. The resultant gain is a combination of the pricing of the warrants compared with the Company's current share price and the shortening of the period by which the warrants can be exercised.

The Company's executive is located in a cost effective UK location. In further efforts to contain costs, the Company shares its accommodation costs with a company with common directors. A formal management agreement has been entered into, and a net amount of approximately $60,000, for the nine months ended March 31, 2009 has been charged. In addition, General and Administration costs have increased in the December 31, 2008 quarter against the previous quarter due to the inclusion of office, administration and other costs not directly related to the operations of the Company's exploration projects. These costs were previously capitalised into intangible assets which was not considered appropriate.

The loss on disposal of assets includes an impairment charge of $403k to the carrying value of the Company's exploration properties related to Ridgeway's uranium

exploration. The directors review the carrying value and strategic holding of all exploration projects at each balance date. There is no intention to relinquish the Ridgeway licences, or any other licences held by the Company.

Exploration and Project development expenditure for the three months ended March 31 2009

It is the nature of the Company's operations that all costs directly related to the exploration of economically recoverable minerals are capitalised into the value of the exploration projects. At each balance date the directors review the carrying value of the Company's projects and consider whether there is any reason to make an adjustment for impairment of value. At the date of this report, the directors consider that each of the exploration projects have not yet reached a stage of development by which it could be determined whether the projects could be economically exploited to realise an amount at least equal to their carrying value.

Accumulated expenditure on the Company's exploration projects, to March 31 2009 amounts to $9,326k with expenditure in the current quarter to 31 March 2009 amounting to $280,483, before impairment charges of $403,000. The areas of expenditure include drilling, assaying, site costs and licence fees.

LIQUIDITY & CAPITAL RESOURCES

At March 31, 2009, the Company had Total Assets of US$ 15.5 million (June 30, 2008: US$ 19.9 million). The amount of cash was US$ 5.2 million (June 30, 2008: US$ 11.2 million). The decrease in cash from $11,224k to $5,242k during the nine months ended March 31, 2009 was due to exploration project expenditure, foreign exchange translation losses, and administration costs.

The Company holds its cash in the currencies in which it expects to incur expenditure internationally (functional currencies) over the next 6 to 12 month period. The Company's reporting currency is US Dollars which has strengthened against the functional currencies over the 9 months ended March 31 2009, and accordingly a significant foreign exchange translation loss has been incurred.

In Management's view, the most meaningful information concerning the Company relates to its current liquidity and solvency since it is not currently generating any income from its mineral projects.

The Company has previously raised capital for its operations through the issuance of securities of the Company and from the exercise of share options. Although the Company has been successful in the past in raising finance, there can be no assurance that any funding required by the Company in the future will be made available to it and, if such funding is available, that it will be offered on reasonable terms or that the Company will be able to secure such funding through third party financing or joint ventures. Furthermore, there is no assurance that the Company will be able to secure new mineral Properties or projects or that they can be secured on competitive terms.

The Properties are in the exploration and development stage and, as a result, the Company has no source of operating cash flow.

As at March 31, 2009, the Company had cash and other current assets of US$ 5,242,000 and total liabilities of US$ 576,000, excluding derivative liability.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following expenses for directors or corporations controlled by directors or officers of the Company or to corporations in which directors of the Company were also directors.

Detail	Three months ended March 31, 2009	Three months ended December 31, 2008	Three months ended September 30, 2008
	US$	US$	US$
Directors' compensation	122,000	178,000	31,000
	Year ended June 30, 2008	Financial period ended June 30, 2007 (6 months)	Financial year ended December 31, 2006
	US$	US$	US$
Directors' compensation	508,000	238,000	264,000

Directors' compensation includes salaries, fees, and share based payments. In the three months ended September 30, 2008 certain amounts of compensation were deferred and have been expensed in the quarter ended December 31, 2008.

Directors' compensation represents payments to David Netherway (Chairman), John Gray (President & CEO), Matthew Grainger (Independent Director), Steven Poulton (Independent Director), Danesh Varma (Independent Director) and Manuel Lamboley (Independent Director).

No director, executive officer or principal shareholder of the Company, and no associate or affiliate of the foregoing, has had a material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company.

The Company has entered into a management agreement with ALTUS Strategies Limited which has common directors with the Company, namely: David Netherway, Steven Poulton and Matthew Grainger. The Company charges ALTUS for shared rental and receives a charge from ALTUS for the provision of management services. An amount of $60,000 (net) has been charged to the Company for the nine months ended March 31, 2009. These transactions with related parties were within the normal course of business and have been recorded at the exchange amounts, being the amounts agreed to by the transacting parties.

OBLIGATIONS AND CONTRACTUAL COMMITMENTS

Apart from office rental agreements, the Company has no long term obligations or contractual commitments.

In Cameroon the Company's mineral exploration licences, being of the maximum allowable size (1,000km^2), are subject to a minimum aggregate expenditure of approximately US$624,000 each over the initial three year tenure in the case of the Batouri, Rey Bouba, Tchollire, Ntem, Djoum, Akonolinga licences, and a minimum aggregate expenditure of approximately US$249,000 over the initial three year tenure in the case of the Bantadje licence. Expenditure is on target to achieve the commitment on all the licences held by the Company in Cameroon. The Company's licences in Cameroon are subject to an annual tax payment of CFA 1,000 (equivalent to US$2.45) per km^2.

The Company's licences in Liberia are subject to a minimum expenditure of US$2.00 per acre (US$494 per km^2) per year, which expenditure has already been achieved across both licences for their duration to date.

FINANCIAL INSTRUMENTS

The balance sheet carrying amounts for cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values, these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

There is also a foreign exchange risk as some of the expenses are incurred in foreign currencies that are subject to fluctuation.

OUTSTANDING SHARE CAPITAL

The Company's authorised share capital is 500,000,000 common shares of which 67,047,540 shares are on issue at March 31, 2009. At the date of this MD&A a further 24,429,915 shares are issuable upon the conversion of convertible securities, being share purchase options and warrants.

CRITICAL ACCOUNTING ESTIMATES

Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial conditions and future cash flows.

Use of Estimates

In preparing these financial statements, Management has 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. The most significant estimates are related to the carrying value of resource interest in mineral Properties and its recoverability. Actual results could differ from those estimates.

Mineral Property Interests

The Company is an exploration and development stage company. The mineral Properties of the Company 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 NI 43-101), the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such Properties.

Exploration Properties and Deferred Exploration Costs

The Company's accounting policy is to defer the costs of exploration and capital assets on existing projects and carry them as assets until production commences. Exploration 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 exploration Properties and deferred exploration expenditures will be amortised 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 exploration Properties and related exploration expenditures will be written off.

Impairment of Long-Lived Assets

Management periodically reviews the carrying value of the exploration 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 undiscounted 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.

The Company will monitor the recoverability of long-lived assets in accordance with the recommendations of the CICA Handbook Section 3063, Impairment of Long-Lived Assets. This is based on such factors as current market value, future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's accounting policy is to record an impairment loss in the period when it is determined that the carrying value of the asset may not be recoverable. Management's estimate of future commodities prices, operating costs, capital costs and the availability of resources required to develop existing Properties are utilised in the evaluation of the assets and involve subjective judgements.

INDUSTRY TRENDS

The mineral exploration sector experienced significant inflows of capital in the period 2002-2007 in response to increasing commodity prices driven principally by higher demand from emerging markets and fewer economic discoveries. The sector also experienced cost inflation in labour, fuel and other supplies having the effect of reducing the marginal profitability of producing mines. In the past eighteen months commodity prices have fallen in response to a global economic downturn and the potential risk for reduced demand in future years. This has made the shares of resource companies less attractive and the net effect is to cause the share prices of these companies to fall along with the amount of available funding for exploration companies. Cost inflation is also seen to currently be falling, as the underlying

commodity prices squeeze producer margins and the industry moves out of a period of under capacity.

RISKS AND UNCERTAINTIES

Apart from the risk factors noted below, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or operating results.

The Company, and thus the securities of the Company, should be considered a highly speculative investment and involve a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. The Properties, in which the Company has an interest, or the option to acquire an interest, are in the early exploration stage and are without either resources or reserves. While discovery of an ore-body may result in significant rewards, few Properties which are explored are ultimately developed into producing mines. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

Limited Operating History

The Company has no history of earnings. The Properties are in the exploration stage and there are no known commercial quantities of mineral reserves on the Properties. There is no assurance that any of the Company's Properties will generate earnings, operate profitably or provide a return on investment in the future.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to and interests in the Properties, there is no guarantee that such title to or interests in the Properties will not be challenged and title insurance is generally not available. The Company's mineral Property interests may be subject to prior unregistered agreements or transfers or land claims and title may be affected by, among other things, undetected defects. Surveys have not been carried out on any of the Properties in accordance with the laws of the jurisdiction in which they are located; therefore, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

Political and Country Risks

The political risk in sub-Saharan Africa is significant due to prolonged periods of economic and political instability.

Exploration, Development and Operating Risk

Resource exploration and development is a speculative business, characterised by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing

equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. All of the claims to which the Company has a right to acquire an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral Properties would follow only if favourable exploration results are obtained and a positive feasibility study is completed.

The business of exploration for minerals and mining involves a high degree of risk. Few Properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

No Assurance of Production

Mineral exploration is highly speculative in nature, involves many risks, and frequently does not lead to the discovery of commercial reserves of minerals. While the rewards can be substantial if commercial reserves of minerals are found, there can be no assurance that the Company's past or future exploration efforts will be successful, that any production there from will be obtained or continued, or that any such production which is attempted will be profitable.

Company at Exploration Stage Only - Limited Experience with Development-Stage Mining Operations

The Company has limited experience in placing resource Properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when, and if, the Company places its resource Properties into production and whether it will produce revenue, operate profitably or provide a return on investment in the future.

Factors Beyond Company's Control

The exploration and development of mineral Properties and the marketability of any minerals contained in such Properties will be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Failure to Obtain Additional Financing

While the Company has the financial resources necessary to undertake its currently planned activities, there can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration, if warranted, on the Company's exploration Properties or to develop mineral resources on such Properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause the Company to delay or indefinitely postpone exploration, development or production on the Properties or to forfeit its interest in such Properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted.

Risk of International Operations

The Company is incorporated under and governed by the laws of the British Virgin Islands. All of the Company's assets are located outside Canada, and all of the Company's directors and officers are residents of countries other than Canada. As a result, it may be difficult for investors to effect service of process within Canada upon the Company and those directors, officers and experts, or to realise in Canada upon judgments of courts of Canada predicated upon civil liability of the Company and such directors, officers or experts under Canadian provincial securities laws.

Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. Such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation.

In Cameroon and Liberia, in which the Company has assets and operations, such assets and operations are subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalisation, renegotiation or nullification of existing concessions, licences, permits, approvals and contracts, taxation policies, foreign exchange and repatriation of earnings restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or the United States.

The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations. At present, the Company carries no political risk insurance.

Risks due to Foreign Incorporation
The Company is incorporated under and governed by the laws of the British Virgin Islands and consequently shareholders may not have the same rights and protections as they would have under provincial or federal corporate law in Canada. There can be no assurance that shareholder rights and remedies available under the corporate law of the British Virgin Islands will be enforceable in Canada through Canadian courts or that any orders of the courts of the British Virgin Islands made under such corporate law will be enforceable in Canada.

Insurance and Uninsured Risks
The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral Properties or production facilities, personal injury or death, environmental damage to the Company's Properties or the Properties of others, delays in development or mining, monetary losses and possible legal liability.

Although the Company will purchase insurance to protect against certain risks in such amounts as it considers reasonable, such insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards
The Company's operations may be subject to environmental regulations in the various jurisdictions in which it operates. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to comply fully with all applicable environmental regulations.

Government Regulation and Permitting
The current or future operations of the Company, including exploration and development activities and the commencement of production on its Properties, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, water use, environmental protection, land claims of local people, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that will require the Company to obtain permits, licences and approvals from various governmental agencies. There can be no assurance, however, that all permits, licences and approvals that the Company may require for its current or future operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there-under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing Properties or require abandonment or delays in development of new mining Properties. To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Lags
The Company is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered, the date upon which such discovery may be deemed to be economic pursuant to a feasibility study and the date when production will commence from any such discovery.

Lack of Infrastructure
Completion of the planned exploration of the Company's Properties is subject to various requirements, including the availability and timing of acceptable arrangement for power, water and transportation facilities. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay completion of the Company's planned exploration and development of these Properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the planned exploration of the Company's Properties will be completed on a timely basis, if at all.

Competition
The mining industry is intensely competitive in all its phases, and the Company competes with other mining companies in connection with the acquisition of Properties producing or capable of producing, precious and base metals, gemstones and energy minerals. Many of these companies have greater financial resources, operational experience and technical facilities than the Company. Competition could adversely affect the Company's ability to acquire suitable Properties or prospects in the future. Consequently, the Company's revenue, operations and financial condition could be materially adversely affected. If the Company's costs increase due to its locations, the grade and nature of ore bodies, foreign exchange rates, or its operating and management skills, its profitability may be affected.

Management
The success of the Company is currently largely dependent on the performance of its directors and officers. There is no assurance the Company can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse affect on the Company and its prospects.

Ability to Attract and Retain Qualified Personnel
Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining Properties is limited and competition for such persons is intense. As the Company's business activity grows, additional key financial, administrative and mining personnel as well as additional operations staff will be required. Although the Company believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of operations could be affected.

Securities
Securities of exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following:

- the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;
- the limited trading volume and general market interest in the Company's securities may affect an investor's ability to trade the Common Shares;
- the relatively small size of the publicly held shares will limit the ability of some institutions to invest in the Company's securities; and
- a substantial decline in the Company's share price that persists for a significant period of time could cause its securities to be de-listed from any stock exchange upon which they are listed, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may decline and not accurately reflect the Company's long-term value.

Fluctuating Mineral Prices
Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. The effect of these factors on the Company's operations cannot accurately be predicted.

Conflicts of Interest
Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate and securities laws.

Foreign Currency Exchange
Exchange rate fluctuations may affect the costs that the Company incurs in its operations. The Company's financing activities have been denominated in Canadian dollars, while gold prices are generally quoted in U.S. dollars. The appreciation of the U.S. dollar against the Canadian dollar, if it occurs, may have a significant impact on the Company's financial position and results of operations in the future.

OUTLOOK

The Company has revised its exploration strategy and budgeted expenditure in light of the current deteriorating market conditions for equities and the resource sector in general. Exploration activity is being focused on the Batouri Gold licence in eastern Cameroon, where the Company plans to continue its drilling programme to define the potential for establishing an initial gold resource in 2009. Drilling is focussed on the Kambele prospect as well as the recently discovered Amndobi prospect. Regional exploration on the licence will be completed ahead of the Company's requirement to relinquish 50% of the licence in April 2009.

On the Company's other gold, iron ore and uranium exploration licences in Cameroon, exploration budgets and programmes will be reviewed on a month by month and project by project basis in light of exploration progress and market conditions. Suitably experienced joint venture partners may be sought to share exploration costs where deemed beneficial.

In the Company's recently established iron ore division, the focus will remain on attracting a suitably robust, international partner to develop the Nkout iron ore Prospect on the Company's Djoum licence and additional iron ore targets on the Company's Akonolinga and Ntem licences in Cameroon.

In Liberia, the Company will consider joint venture partners to contribute to the exploration expenditure on the North Bea and East Kpo licences, where the Company has delineated a number of encouraging projects through drilling and surface sampling.