

AFRICAN AURA RESOURCES LIMITED BVI

This management discussion and analysis (“MD&A”) has been prepared based on information available to African Aura Resources Limited, BVI (the “Company” or “African Aura”) as at May 28 2008. 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 quarters ended March 31 2008; December 31 2007; September 30 2007; March 31 2007; the nine month period ended March 31 2008; the six month period ended June 30 2007, December 31 2006 and December 31 2005. (The Company changed its financial year end from December 31 to June 30). The Company’s consolidated financial statements and the related notes have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements for the quarters ended March 31 2008, December 31 2007, September 30 2007, the nine month period ended March 31 2008 and the comparative nine month period ended March 31 2007 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.

HIGHLIGHTS

- C\$7.9 million raised from IPO
- C\$12.9m cash on hand at March 31 2008
- Interest income US\$204,000 (171% increase from June 30, 2007)
- Basic and diluted EPS (1.50) cents
- 5,000m diamond drill programme underway at flagship Batouri project in Cameroon
- Trenching underway to define drill targets at Fula Camp project in Liberia

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING AND CONTROLS

The unaudited interim Consolidated Financial Statement of the Company for the three month and the nine month periods ended March 31 2008 (with comparatives for the three month and nine month periods ended March 31 2007); and financial year ended June 30 2007, have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and have been 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 experts 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.

OVERVIEW

DESCRIPTION OF BUSINESS

African Aura Resources Limited is an exploration and development company engaged in the acquisition, exploration and development of gold, uranium and iron ore. The Company holds interests in mineral properties located in Cameroon and Liberia, with the aim of developing them to a stage where they can be exploited economically or where joint ventures can be arranged with other companies to provide funding and expertise for exploration, development and exploitation.

OPERATIONS

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.

From late 2004, activity initially focused on gold exploration within two, 400km² exploration licences in Liberia which have since been reduced in size to a total of 400km². In 2005 African Aura acquired data on historic mineral occurrences in Cameroon from the Bureau de Recherche Geologique et Miniere (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

that transect prospective host lithologies with known gold endowment. Based on this information, the Company applied for and has been granted eight exploration licences in Cameroon totaling 7,500km².

Liberia

From 2004 onwards, gold exploration has been undertaken across the Company's two Liberian licences, pursuing an outcropping gold occurrence at North Bea through soil survey, trenching and drilling programmes, and sourcing alluvial gold occurrences at East Kpo through pan concentrate stream sediment surveys, soil surveys and trenching. Drilling programs in 2006 and 2007 returned results showing that the Fula Camp area in the North Bea licence contains economic widths and grades of gold mineralisation including contiguous sections with grades that included 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. Follow up trenching across suspected, on-strike extensions of this mineralisation indicated by gold in soil anomalism is underway at the time of writing this note.

Meanwhile, in April 2005, recognizing the prospectivity highlighted by artisanal activity around Camp Israel in the northeast of the North Bea licence, African Aura signed a Heads of Agreement (HoA) for a diamond exploration joint venture with Mano River Resources ("Mano" – subsequently transferred to the Mano subsidiary, Stellar Diamonds). The HoA details four phases of exploration leading to a feasibility study whereby Stellar are able to earn 78% of the diamond rights in the North Bea licence, with African Aura able to maintain a 12% share by co-funding mine construction, and the government of Liberia retaining a 10% carried interest.

Cameroon

Since June 2006, the Company has focused on bringing the Batouri prospect in eastern Cameroon to drill readiness. Initial gold in soil geochemistry results from Batouri indicated a discontinuous, 16km long trend of gold anomalism extending from Dimako through Mongonam in the southwest, and from Kambele through Dem in the northeast, possibly an expression of gold mineralisation in a "Thermal Aureole Gold" (intrusive related) genetic setting. The presence of a competent laterite layer obscuring bedrock at surface led the Company to conduct induced polarisation/resistivity, and radiometric geophysical surveys in order to more closely define drillable structures underlying the gold in soil anomaly. Interpretation of the resulting data yielded robust drill targets in mid 2007, whereupon the Company purchased and imported two diamond drills in February 2008. Both rigs are drilling at time of writing this note, and it is anticipated that African Aura will be able to report preliminary results before the heavy rains in August.

At the same time, the Company has established several teams to progress exploration for gold and iron across Ntem, Djoum and Akonolinga licences in the Archaean cratonic rocks in southern Cameroon, and to advance reconnaissance across Tchollire and Rey Bouba licences in Birimian-age rocks in northern Cameroon. Additionally, Ridgeway Energy, a 70% owned subsidiary has been established to explore for uranium across the Essong and Bantadje licences which has revealed a potentially significant anomaly on the Essong licence in the south of Cameroon.

SUMMARY OF PERFORMANCE

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table provides a summary of financial data of the Company for the nine month period ended March 31 2008; financial year ended June 30 2007; financial year ended December 31 2006; and financial year ended December 31 2005.

	Nine month period ended March 31 2008 (Unaudited)	Financial year ended June 30 2007 (Audited)	Financial year ended December 31 2006 (Audited)	Financial year ended December 31 2005 (Audited)
Amounts in thousands of US Dollars	\$'000	\$'000	\$'000	\$'000
Interest income	204,000	33,000	39,000	4,000
Net loss	(478,000)	(988,000)	(216,000)	(459,000)
Net loss per share (cents)	(1.50)	(3.21)	(1.10)	(3.95)
Total assets	19,655,000	11,114,000	4,329,000	1,466,000
Total long-term debt	Nil	Nil	Nil	Nil
Shareholders' equity	19,531,000	11,051,000	4,210,000	1,454,000
Cash dividends declared per share	Nil	Nil	Nil	Nil

As at March 31 2008, the Company had assets of \$19.66 million (June 30 2007: \$11.11 million; December 31 2006: \$4.33 million; December 31 2005: \$1.47 million) - and a net equity position of \$19.5 million (June 30 2007: \$11.05 million; December 31 2006: \$4.21 million; December 31 2005: \$1.45 million).

As at March 31 2008, the amount of cash was \$12.99 million (June 30 2007: \$7.55 million; December 31 2006: \$2.13 million; December 31 2005: \$0.90 million). The increase in the nine month period to March 31 2008 was due mainly to the proceeds received from the Company's listing on the Venture Exchange of the Toronto Stock Exchange.

For the nine month period ended March 31 2008, the Company earned interest of \$204,000 (March 31 2007: \$39,000). This is due to investing surplus cash on to the money market where interest rates are higher than the operating accounts in which the money is held. This was not done previously. The Company listed on March 31 2008. There are no results for comparative quarters because no comparable quarters results were produced.

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 2008 and the three month period ended March 31 2007.

The Company had no revenue other than interest income of \$70,000 for the quarter ended March 31 2008 (March 31 2007: \$15,000). The increase is due to placing money in term deposits which earned interest at better rates than it would have earned if it remained in the operating accounts.

For the quarter ended March 31 2008, the Company reported a net loss of \$165,000 (March 31 2007: \$185,000). The net loss is less at March 31 2008 due to the effect of the higher interest earned in the quarter. The operating loss for the three months March 31 2008 is \$235,000 compared to \$200,000 at March 31 2007.

Administrative and office expenses for the three month period to March 31 2008 were \$86,000 (March 31 2007: \$20,000). The Company moved to new office accommodation during the quarter. Travel and subsistence expenses were \$26,000 (March 31 2007: \$8,000). There was increased travel by Management to Canada due to the initial public offering of the Company's securities. Wages and salaries of staff were \$63,000 (March 31 2007: Nil). Executive and directors' compensation for the three month period to March 31 2008 was \$110,000 (March 31 2007: \$43,000).

Review of the nine month period ended March 31 2008 and the nine month period ended March 31 2007.

The Company had no revenue other than interest income of \$204,000 for the nine month period ended March 31 2008 (\$39,000 for the nine month period ended March 31 2007). The increase is due to placing money in term deposits which earned interest at better rates than it would have earned if it remained in the operating accounts.

For the nine month period ended March 31 2008, the Company reported a net loss of \$478,000 (\$333,000 for the nine month period ended March 31 2007 of which \$118,000 related to share based payment).

Administrative and office expenses for the nine month period to March 31 2008 were \$106,000 (\$73,000 for the nine month period ended March 31 2007). The Company moved to new office accommodation during the period. Travel and subsistence expenses were \$85,000 (\$15,000 for the nine month period to March 31 2007). There was increased travel by Management to Canada due to the initial public offering of the Company's securities. Wages and salaries of staff were \$157,000 (Nil for the nine month period to March 31 2007 as there were no staff at that time – only directors). Executive and directors' compensation for the nine month period to March 31 2008 was \$342,000 (\$158,000 for the nine month period to March 31 2007).

During the nine month period ended March 31 2008, the Company invested \$2.78 million in exploration activities on the Properties (\$1.59 million for the nine month period to March 31 2007).

Comparison of the financial position at March 31 2008 and June 30 2007.

As at March 31 2008, the Company had assets of \$19.66 million (June 30 2007: \$11.11 million). The amount of cash was \$12.99 million (June 30 2007: \$7.55 million). The increase in cash during the nine month period to March 31 2008 was due mainly to the proceeds received from the Company's listing on the Venture Exchange of the Toronto Stock Exchange.

At March 31 2008 the expenditure on the exploration properties and deferred exploration amounted to \$5.94 million. (This excludes amounts spent on plant and equipment.) At June 30 2007 the comparative amount was \$3.16 million. It highlights the amount of work carried out over the nine month period on the exploration properties. The Company listed on March 31 2008.

Accrued liabilities increased from \$63,000 at June 30 2007 to \$124,000 at March 31 2008. The shareholders equity increased from \$11.05 million to \$19.53 million due to the equity financing in March 2008.

VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

For the cumulative period up to March 31 2008. Amounts are in US\$'000

Capitalised exploration and pre-development costs	5,936
Expensed research and development costs	Nil
Deferred development costs	Nil
Other material costs	Nil

Analysis of exploration and pre-development costs

Drilling and assaying	865
Geophysics and associated costs	1,349
Licences	239
Site costs	753
Staff costs	1,870
Travel	534
Administrative and associated costs	<u>326</u>

Total **5,936**

Analysis of General and Administration Expenses

	Nine months ended March 31 2008	Six months ended December 31 2007	Financial year ended June 30 2007	Nine months ended March 31 2007	Financial year ended December 31 2006	Financial year ended December 31 2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Stock based compensation	Nil	Nil	709	118	Nil	363
Wages and Salaries	157	121	30	Nil	Nil	Nil
Executive and directors' compensation	342	130	166	158	168	80
Admin. and office expenses	106	189	57	73	65	16
Travel and subsistence	85	59	23	15	15	4
Foreign Exchange	(8)	(52)	36	8	7	Nil

SUMMARY OF QUARTERLY RESULTS (UNAUDITED) & THIRD QUARTER

All amounts are in US Dollars except net loss per share which is in US cents

Quarter ended	Interest income	Net (loss)	Net (loss) per share
March 31 2008	70,000	(165,000)	(0.51)
December 31 2007	96,000	(200,000)	(0.63)
September 30 2007	38,000	(113,000)	(0.35)
June 30 2007	18,000	(803,000)	(2.63)
March 31 2007	15,000	(185,000)	(0.58)
December 31 2006	11,000	(99,000)	(0.36)
September 30 2006	13,000	(49,000)	(0.18)

The Company's interest income has generally increased as a result of higher cash and cash equivalents following share issuances during 2007.

The net loss in the quarter ended March 31 2007 is higher as a result of the stock based compensation charge of \$118,000 relating to stock options granted.

LIQUIDITY & CAPITAL RESOURCES

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. The exploration and development of the Properties depends on the Company's ability to obtain financing.

As at March 31 2008, the Company had cash or other current assets of \$13,401,000 and total liabilities of \$124,000.

The Company completed an initial public offering on March 31 2008 on the Toronto Stock Exchange (Venture Exchange) and raised CDN\$ 7,922,000 gross proceeds to fund its exploration and development program.

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.

All amounts shown below are in US Dollars.

Detail	Nine month period ended March 31 2008	Financial year ended June 30 2007	Nine month period ended March 31 2007	Financial year ended December 31 2006	Financial year ended December 31 2005
Executive and directors' compensation	342,000	238,000	158,000	168,000	80,000

Executive and directors' compensation represents payments to David Netherway (Chairman), John Gray (President & CEO), Matthew Grainger (COO), Steven Poulton (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.

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

The Company has no long term obligations or contractual commitments.

In Cameroon the Company's mineral exploration licences, being of the maximum allowable size (1,000km²), are subject to a minimum aggregate expenditure of approximately \$624,000 each over the initial three year tenure in the case of the Batouri, Rey Bouba, Tchollire II, Ntem, Djoum III, Akonolinga licences, and a minimum aggregate expenditure of approximately \$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 CFA1,000 (equivalent to \$2.36) per km².

The Company's licences in Liberia are subject to a minimum expenditure of \$2.00 per acre (\$494 per km²) per year, which expenditure has already been achieved by expenditure of \$2.87m 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 67,362,540 shares have been issued as at March 31 2008 and at the MD&A date. A further 24,804,924 shares are issuable upon the conversion of convertible securities.

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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking statements". All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding targets, estimates and/or assumptions in respect of future production, mine development costs, capital costs, timing of commencement of operations, potential litigation and future economic, market and other conditions) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company.

Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; capital and operating costs varying significantly from estimates; inflation; changes in exchange rates; fluctuations in commodity prices.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise except as required by applicable securities laws. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Forward-looking statements in this management discussion and analysis are subject to various risks and uncertainties concerning specific factors. The forward-looking statements represent Management's best judgment based on information currently available. As the information is future oriented it cannot be guaranteed and actual results may vary materially. The Company does not assume the obligation to update any forward-looking statement.

TRENDS

In recent years there has been a steady increase in worldwide demand for commodities driven largely by China and India's growth in manufacturing and consumption. On the supply side, investment in exploration has increased in line with the increase in commodity prices. However, despite the increased prices, inflation is reducing the margins of existing mines. In the meantime, new resources are not being discovered and brought into production fast enough, to meet existing demand. Separately, real and speculative driven investments in precious metals, such as gold, continue to increase prices in line with the growing wealth effect of consumers and for a hedge against inflation and devaluation by emerging market economies. Commodity prices remain robust indicating that the market anticipates demand will continue to exceed supply for the foreseeable future.

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. Although, since 2006, Liberia has made considerable progress in rebuilding its government institutions and economy, it will need to continue to rely on international support for security and economic assistance to ensure that these efforts are successful in creating a stable and more prosperous future for its citizens. In result, there are still considerable risks, (as well as opportunities) in carrying on business in Liberia for foreign corporations, such as the Company.

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.

RECENT DEVELOPMENTS

Corporate

On March 31 2008 the Company's shares were listed on the TSX Venture Exchange, trading under the symbol 'AAZ'. Coincident with the listing, the Company issued 14,405,304 units at a price of CDN\$0.55 per unit, each unit consisting of one common share and one half of one common share purchase warrant exercisable at a price of CDN\$0.80 for a period of 24 months, for total gross proceeds of CDN\$7,922,917 to investors in British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and elsewhere as permitted by law.

Thomas Weisel Partners Canada Inc. (formerly Westwind Partners Inc.) and Haywood Securities Inc. acted as Agents (the "Agents") for the Company. The Company paid the Agents a cash commission equal to 6.5% of the aggregate gross proceeds of the IPO and non-assignable Warrants up to 6.5% of the gross proceeds of the placement to purchase Units in the Company at an exercise price of CDN\$0.55 for a period of 18 months. The Company granted the Agents an option (the "Over-Allotment Option"), exercisable in whole or in part at the sole discretion of the Agents at any time up to 30 days, to purchase up to 2,160,796 additional Units on the same terms.

Thomas Weisel Partners Canada Inc. and Haywood Securities Inc. partially exercised their Over-Allotment Option and purchased 1,080,398 Over Allotment Warrants at an issue price of CDN\$0.01 per half warrant, for gross proceeds of CDN\$21,607.96. Each full warrant has an exercise price of CDN\$0.80 and is exercisable for a period of 24 months.

In accordance with and to the satisfaction of the TSX Venture Exchange on the listing of its shares, the Company amended its Memorandum and Articles of Association by way of a resolution made by the Board of Directors.

Technical

The Company commenced a phase-one 5,000 metre diamond drilling programme at its 100% owned Batouri gold project ("Batouri") in eastern Cameroon in early April, 2008. The drilling is planned to comprise 47 holes to depths of 150m, totaling 5,000m using two diamond drill rigs owned and operated by the Company. The drilling programme focuses on the Kambele to Dem trend, and Mongonam to Dimako trend prospects which have a combined strike length of over 6km. The key objectives of the first phase programme will be to characterise the style of mineralisation at each prospect and to generate data for a future independent resource estimate.

A trenching programme is underway to delineate drill targets on gold-in-soil anomalies defined by previous exploration in the Company's North Bea licence in western Liberia.