

SARAMA RESOURCES LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the quarter ended June 30, 2012

(August 28, 2012)

(All amounts expressed in United States dollars, unless otherwise indicated)

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the operating results and financial position of Sarama Resources Ltd ("the Company", "Sarama", "we", "us" or "our") should be read in conjunction with the audited consolidated annual financial statements and the notes thereto of the Company for the year ended December 31, 2011 and the unaudited consolidated interim financial statements for the three and six month period ended June 30, 2012. These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and all amounts are expressed in United States dollars, unless otherwise stated.

This MD&A is current as at August 28 2012. Additional information relating to the Company is available on SEDAR under our profile.

FORWARD-LOOKING STATEMENTS

These consolidated financial statements and MD&A contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to our planned exploration and development activities, costs and timing of future exploration, results of future exploration and drilling, timing and receipt of approvals, consents and permits under applicable legislation, and the adequacy of financial resources. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking information. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable.

Assumptions have been made regarding, among other things: our ability to carry on our exploration and development activities, our ability to meet our obligations under our property agreements, the timing and results of drilling programs, the discovery of mineral resources and mineral reserves on our mineral properties, the timely receipt of required approvals, the price of gold, the costs of operating and exploration expenditures, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

OVERVIEW

Sarama Resources Ltd is an early-stage mineral exploration company whose principal business objectives are the acquisition, exploration and development of gold properties and resources on the African continent. The Company has acquired interests in gold projects located in Burkina Faso, Liberia and Mali. In Burkina Faso, the Company is earning a 100% interest in each of its principal properties in the South Houndé Project area covers approximately 1,600 km² in the south-west of the country. The Company also holds title to, or has entered into agreements to acquire up to a 100% interest in a number of other permit areas in Burkina Faso, Liberia and Mali.

During the period ended June 30, 2012, the Company undertook soil sampling surveys, diamond drill (“DD”), reverse circulation (“RC”) and rotary-air-blast (“RAB”) drill programs and continued to review opportunities to acquire permits in line with its consolidation plans in Burkina Faso. In January 2012, the Company commenced an extensive RC drill program on its South Houndé permits, in particular its Tankoro permit, where good first-pass RC drill results were achieved. Following receipt of the initial RC drill results, a DD program was commenced. In April 2012, the Company commenced a RAB drill program. These drill programs were completed in June of this quarter and, in addition to infill and extensional drilling, were designed to better define the initial discovery and understanding of the geological setting. Scout drilling was undertaken on regional targets within the Tankoro permit and on the Bamako and Serakoro 1 permits. Soil sampling programs were completed on recently acquired permits along with mapping and targeting work.

In Liberia, following the completion of airborne geophysical surveys in February 2012, subsequent soil sampling programs were planned and commenced. These soil sampling programs have continued throughout the year with first-pass sampling at the Cape Mount permit being completed in the quarter and also a significant portion of the planned programs on Grand Bassa and Gbarpolu permits. Assay turnaround has been slow, however, a 9-kilometre-long gold-in-soil anomaly has been defined in the southern portion of the Cape Mount permit and elevated values have been received on the Gbarpolu permit. Based on the geophysical and soil sampling results received at the Cape Mount permit, the Company has commenced trenching across anomalous areas to gain a better understanding of the geology.

In Mali, the Company’s exploration activities are of a smaller scale than in Burkina Faso and Liberia. Work for the quarter was focused in West Mali on the Kandiolé Sud permit where the Company has an option to acquire 100% of the permit. The results of a first-pass soil sampling program have been received with a number of areas within the permit showing elevated values. Exploration activity is being planned for the 2012/2013 field season.

EXPLORATION AND DEVELOPMENT ACTIVITIES

PROPERTY INFORMATION, RECENTLY COMPLETED ACTIVITIES AND OUTLOOK

Burkina Faso

In Burkina Faso, the Company’s activities are focused on the Houndé Greenstone Belt and, in particular, the southern part of the belt where the Company has assembled a large suite of properties. The Company also continued to assess opportunities and during the quarter, entered into an agreement to acquire two contiguous exploration permits in the Banfora Belt bringing the Company’s Burkina land holdings to 3,100 km².

The most advanced of the Burkina Faso properties is the Tankoro Project. Soil sampling and initial scout drilling in 2011 identified a number of anomalies, of which the most advanced has been called the MM Prospect. The Company completed its planned and expanded RC drilling programs in June, drilling a total of 35,000m in the six months to the end of June. Following excellent initial drilling results on the MM Prospect, the Company added a diamond drill rig that completed an expanded 11,000m program in June and also a RAB rig that completed a 14,000m program on soil targets within a 5 kilometre radius of the MM Prospect. Outlined below is a summary of the status of the principal permits in the southern Houndé Greenstone Belt.

Tankoro

In early 2011, the Company entered into an option agreement to acquire the Tankoro permit. The Company has the right to earn up to a 100% interest with a trailing 1.5% Net Smelter Return ("NSR") royalty, which the Company has an option to acquire for \$1 million.

In 2011, initial permit-wide soil sampling programs identified two corridors of anomalous gold-in-soil occurrences, one a 20km x 4km corridor striking north-east and a second 10km-long corridor striking north-south. Following a successful scout RC drill program in 2011, a large-scale follow-up RC program was commenced in January 2012. The 50-man exploration camp established in 2011 to support field activities was expanded in the first quarter to accommodate 80 men.

Initial RC drilling results were very encouraging and, as a result, a DD rig was mobilised. An initial 2,800m program was undertaken with the primary objective being to gain geological information and determine the nature and orientation of mineralisation. The diamond drill program was extended to 11,000m and included three deeper holes which demonstrated down-dip continuity of the MM prospect. A 14,000m RAB program designed to test gold-in-soil anomalies within a 5 kilometre radius the MM Prospect was completed in the quarter and the program provided valuable information for planning future exploration in the 20 kilometre - long Tankoro corridor.

Namaré

In 2010, the Company entered into an option agreement to acquire a 100% interest in the Namaré permit with a trailing 1.5% NSR royalty.

In late 2010, the Company undertook permit-wide airborne geophysical and soil sampling surveys. The geophysical data identified four areas of interest that have coincident geochemical anomalies within the permit.

A small scout RC program was completed at the start of the third quarter of 2011 to test several geochemical anomalies and a number of drill holes encountered significant mineralisation. A small auger program was also completed to test several anomalies. Initial exploration work is encouraging and the Namaré permit will be the subject of follow-up exploration work including RAB and RC drilling.

Bouni

The Company entered into an option agreement to acquire the Bouni permit in 2010. The Company has the right to earn up to a 100% interest with a trailing 1% NSR royalty which the Company has an option to acquire for \$1 million.

In 2010, soil sampling survey work was undertaken on what was considered the geologically prospective areas of the permit and this identified several kilometre-scale gold-in-soil anomalies. A small scout RC program was completed at the start of the third quarter of 2011 to test several of the identified anomalies and a number of drill holes encountered significant mineralisation which will be the subject of further follow-up exploration work including RAB and RC drilling.

Bamako

In 2011, the Company entered into an option agreement to acquire the Bamako permit. The Company has the right to earn up to a 100% interest with a trailing 1.5% NSR royalty which the Company has an option to acquire for \$1 million.

A broad-spaced soil geochemical survey was completed and identified several kilometre-scale gold anomalies. A 3,800m of scout RC drilling was undertaken on this permit during the second quarter of 2012, with several intercepts requiring follow up and the results of which are being compiled.

Serakoro 1

The Company acquired gold exploration rights over the Serakoro 1 permit, which has a total area of 250km² and is located in the Houndé Belt in south-western Burkina Faso. Initial soil sampling in the first quarter of 2012 delineated two large gold-in-soil anomalies measuring 25km and 14km in length. In the second quarter, following assessment of the anomalies, 9 lines of RC scout drilling totalling 7,000m were completed. This scout drilling generated a number of encouraging results including 27m @ 3.71g/t and 13m @ 2.12 g/t plus numerous other lower grade intercepts that warrant follow up.

Other Burkina Faso properties

The Company has rights over a number of other permits in Burkina Faso and these are at various stages of exploration. Some permits are in the early reconnaissance stage and others are the subject of soil geochemical surveys. The results of these surveys will be interpreted and used for future targeting of exploration activity.

The Company will continue to undertake follow-up reconnaissance work on these permits including mapping and soil geochemistry surveys with the intent of developing additional exploration targets.

The Company continued to review opportunities to acquire permits as part of its on-going plan to consolidate and improve its land holdings in Burkina Faso. As part of this strategy, during the quarter the Company entered into an agreement to acquire a 100% interest in two contiguous exploration permits located in the prospective Banfora greenstone belt. The permits cover a combined land area of 338km² and are adjacent to and along trend from the Company's existing Tiéfora Nord exploration permit. The newly acquired permits are subject to final approval by the government of Burkina Faso and transfer into a Company controlled entity. Previous exploration work conducted by the vendor on these properties includes a 19-hole, 2,300m scout RC drill program, of which 8 holes returned significant intercepts including 13m @ 2.87g/t, 4m @ 10.59 and 17m @ 1.18 g/t, which are subject to confirmation by the Company. The Company will continue to assess opportunities that fit with its broader strategic objectives and review its landholdings on an ongoing basis.

Liberia

The Company began looking for opportunities in Liberia in early 2011 and during the second quarter of 2011 it entered into an earn-in agreement to acquire an interest in three permits with a total area of 1,202km². In mid-2011 and prior to the onset of the rainy season, the Company commenced flying airborne geophysical surveys on these permits. These surveys being completed in the first quarter of 2012.

The Company commenced on-ground mapping and soil sampling across these permits in the fourth quarter of 2011 and these programs have continued into 2012. The receipt of assay results has been slow due to turn around times at the assay laboratory. Soil sampling on the Cape Mount permit has identified a 9-kilometre-long gold-in-soil anomaly that lies 10 kilometres to the north-west of the 1.7 million ounce New Liberty deposit. Although soil sampling is complete, only 75% of the assays for this permit have been received to date. The Company has commenced trenching across a number of the highly anomalous areas. Early results from the Gboparlu permit are encouraging with kilometre-scale areas of elevated gold-in-soil results and the Company looks forward to completing the final collection and assay of samples to plan future exploration activity. Soil sampling is ongoing at the Company's Grand Bassa permit with limited assay results to date.

Mali

The Company has a number of permits under option and joint venture in Mali. Basic reconnaissance work on these permits has been undertaken. In December 2011 the Company entered an option agreement to acquire a 100% interest in a 110km² permit (Kandiolé Sud) located in West Mali that is proximal to the Senegalo-Malian Shear Zone, which hosts a number of large, high-grade gold mines. A permit-wide soil program was undertaken in the first quarter of 2012 and the results were received in the second quarter. There were numerous elevated grades in the soil samples and the company plans to follow up these results in the next exploration season.

On March 22, 2012, a group of soldiers, led by Captain Amadou Sanogo, seized control of Mali's presidential palace and declared the government dissolved and its constitution suspended. Since that date there has been instability in Bamako and in regional areas of Mali.

On April 8, 2012, the President of Mali, Amadou Touré formally resigned and it was announced that the Malian parliamentary speaker, Dioncounda Traoré, would take over as the interim President and govern with a transitional administration until elections are held.

The Company has been monitoring the events in Mali closely. At this point, there have been no access issues with regards to the Company's mineral interests and the Company's plant and equipment remains in good physical condition. Accordingly, there has been no adjustment made to the carrying value of its assets or any provisions made in the financial statements relating to the political events in Mali.

SELECTED ANNUAL INFORMATION

The following table includes selected financial information for the past two years. The Company was incorporated on April 8, 2010.

	December 31, 2011	Period from April 8, 2010 to December 31, 2010
	\$	\$
Interest income	68,608	24,576
Net loss	1,498,805	470,751
Basic and diluted loss per share	4.4c	5.1c
Total assets	23,567,233	7,874,691
Total liabilities	1,489,315	104,115

The Company's net loss for the year ending December 31, 2011 of \$1,498,805 is attributable to the costs incurred in maintaining the administration function in Perth, Western Australia and the revaluation of the warrants (\$1,885,044) and the share based payments (\$1,071,000). These costs have increased since the previous period due to the employment of two named executive officers (Paul Schmeide as Vice President – Corporate Development and Nick Longmire as Chief Financial Officer) and two staff, the lease of an office , professional services (both tax and legal) and travel costs associated with investor relations and visiting West Africa.

SUMMARISED FINANCIAL RESULTS

	Quarter ended June 30, 2012 \$	Quarter ended June 30, 2011 \$	Six months ended June 30, 2012 \$	Six months ended June 30, 2011 \$
Interest income	18,435	9,250	33,844	32,974
Fair value gain/(loss) on warrants carried at fair value through profit and loss	2,670,210	-	(449,903)	-
Foreign exchange (loss)/ gain	(218,855)	160,672	98,080	147,727
General and Administrative	(563,360)	(389,744)	(1,171,672)	(809,912)
Stock-based compensation	(72,411)	(850,670)	(374,475)	(850,670)
Depreciation	(4,968)	(12,062)	(10,272)	(12,062)
Net profit/ (loss)	1,856,052	(1,081,233)	(1,874,397)	(1,463,319)

The Company's profit/ (loss) for the three and six months ended 30 June 2012 (the "Current Period") was \$1,856,052 and \$(1,874,397) respectively or \$0.038 and \$(0.037) per share compared to a loss of \$(1,081,233) and \$(1,463,319) or \$0.036 and \$0.049 per share for the three and six month periods ended 30 June 2011 (the "Comparative Period"). The profit for the quarter ended June 30, 2012 resulted from the reduction in the Warrant valuation which delivered a \$2,670,210 profit.

Interest income

Interest income was earned on funds held in an Australian Dollar 3-month term deposit and funds also held on the transactional accounts across the various currency accounts held by the Company. The balances held on term deposit have remained steady.

Fair value loss on warrant liability

The Company issued a total of 10,243,012 warrants as part of the offer to shareholders and brokers during the IPO process. In accordance with IFRS, value was ascribed at the time of IPO, being November 2, 2011 using the Black-Scholes valuation method.

The warrants are revalued each reporting period using the Black-Scholes valuation method. For the quarter ending June 30, 2012 the warrants were revalued to \$1,537,639 (\$4,207,841 at March 31, 2012) which is carried as a financial liability on the balance sheet. Accordingly, this has resulted in the recognition of a fair value gain on warrants carried at fair value through the profit and loss of \$2,670,210. For the six months ending 30 June 2012 the revaluation resulted in the recognition of a fair value loss on warrants carried at fair value through the profit and loss of \$449,903. The movement in the valuation relates mainly to the fluctuation of the share price at the valuation dates.

Foreign Exchange Gain/Loss

The Company holds cash reserves in Australian dollars, Canadian dollars, United States dollars, Euros and West African Francs to fund exploration and evaluation activity and pay general and administration costs. The foreign exchange gains and losses disclosed represent fluctuations in the exchange rates of non-United States dollar cash balances.

General and administration

General and administration expenses have increased by \$148,616 to \$536,360 for the quarter ending 30 June 2012 and by \$388,220 to \$1,171,673 for the six months ending 30 June 2012. General and administrative expenses represent the costs incurred in maintaining the administration function in Perth, Western Australia. These costs have increased in the Current Period due to the hire of an additional named executive officer, Nick Longmire as Chief Financial Officer and two other staff members, the lease of an office, increases in professional services (both tax and legal) and increased travel costs associated with investor relations activities and costs associated with visiting West Africa.

	Quarter ended June 30, 2012 \$	Quarter ended June 30, 2011 \$	Six months ended June 30, 2012 \$	Six months ended June 30, 2011 \$
General and Administrative				
Accounting and audit	21,486	61,737	33,881	71,864
Salaries	225,411	163,833	504,684	275,432
Professional Fees	168,847	72,055	176,760	126,349
Office and General	49,539	53,147	270,419	212,897
Travel	57,790	35,651	136,867	94,746
Insurance	13,287	1,321	49,062	2,165
Total	536,360	387,744	1,171,673	783,453

Stock-based compensation

On February 20, 2012, the Company issued 1,125,000 employee options to directors, executives, employees and a consultant.

The values of the options were calculated using the Black-Scholes option pricing model. The assumptions used in the model for each of the issues were as follows:

	February 20, 2012
Volatility	95%
Expected option life	2.5 – 3 years
Risk-free interest rate	1%
Dividend yield	0%

The options granted vesting conditions were that 50% vest immediately and 50% vest 12 months from the date of grant, therefore the stock based compensation for the non-vested component is recognised through the profit and loss.

Depreciation

Depreciation relates to the assets held by the head office and remains comparable to the comparative period.

EXPLORATION AND EVALUATION EXPENDITURE

The Company capitalises all acquisition and exploration costs associated with the property until the property is placed into production, sold or abandoned. The Company spent \$6,683,676 (2011 – \$1,778,145) for the six months ending June 30, 2012 on exploration and evaluation activities, and \$181,688 on property, plant and equipment (2011 – \$279,644).

SUMMARISED QUARTERLY RESULTS

The Company became a reporting issuer on November 3, 2011. Quarterly information has been prepared for the quarters back to and including September 30, 2011.

Summarised quarterly results for the past four quarters are:

	Quarter ended			
	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Interest income	\$18,435	\$ 28,462	\$ 15,982	\$19,151
Net profit/(loss) for the period	\$1,856,052	\$ (3,723,684)	\$(1,203,509)	\$(1,238,996)
Basic profit/(loss) per share	3.8c	(7.2c)	(2.7c)	(3.7c)
Diluted profit/(loss) per share	3.8c	(7.2c)	(2.2c)	(3.7c)

LIQUIDITY AND CAPITAL RESOURCES

The Company does not generate cash from mining operations. In order to fund its exploration work and administrative activities, the Company is dependent upon raising capital through the issue of shares.

The Company is at an early stage of development and, as is common with many exploration companies, the Company will raise finance through the issue of shares and the Company continues to believe such financing will be available, as and when required.

As at June 30, 2012 the Company had net working capital of \$8,876,484 (excludes the warrant financial liability \$1,537,630).

USE OF PROCEEDS

The Company has included a comparison of expenditure to date versus the amount forecast in the “Use of Proceeds” table in the Prospectus dated October 26, 2011.

About 45% of the funds had been expended as at June 30, 2012.

Generally, the expenditure is being incurred in accordance with the planned Use of Proceeds with the exception of Mali where planned drilling was able to be brought forward and completed in November and December 2011 as a result of a drill rig being made available to the Company at short notice. This program was originally planned to be undertaken on a campaign basis at regular intervals over the next 18 months.

Principal Purpose	Estimated Amount to be Expended (US\$)	Actual amount expended to June 30, 2012 (US\$)
South Houndé Project Exploration		
Geochemistry & Geophysics	350,000	245,844
Drilling expenses	3,900,000	3,197,453
Sampling/Pits/Trenching	888,500	163,712
Field Camp Establishment	457,500	324,098
Personnel expenses	1,364,000	1,147,330
Permit related payments	344,000	96,413
South Houndé Project Exploration Sub-Total:	7,304,000	5,174,850
Liberia Exploration		
Sampling/Geophysics/Geochemistry	1,041,000	838,795
Personnel expenses	335,000	319,893
Permit related payments	318,000	92,383
Liberia Exploration Sub-Total:	1,694,000	1,251,071
Mali Exploration		
Sampling/Geophysics/Geochemistry	218,000	71,123
Drilling expenses	350,000	628,819
Personnel expenses	103,000	306,780
Permit related payments	47,000	884
Mali Exploration Sub-Total:	718,000	1,007,605
Exploration of other Burkina Faso properties	500,000	773,366
General and Administration expenses	3,564,000	1,966,884
General working capital	4,790,500	-
Total	18,570,500	10,173,776

CONTRACTUAL OBLIGATIONS

The Company has the following commitments relating to its office lease and office equipment:

	June 30, 2012	December 31, 2011
	\$	\$
Less than one year	29,040	58,080
Between 1 and 2 years	72,680	72,680
Total	101,720	130,760

On June 28, 2012 the Company entered into a contract to purchase two new properties in the Banfora Belt, Burkina Faso. Upon the permits covering the Properties being registered in the name of the Company's local subsidiary, the Company will make a first instalment payment to the vendor of either, at the Company's sole discretion, US\$100,000 cash or the equivalent in common shares in Sarama Resources Ltd (Sarama). A second payment, of either US\$100,000 cash or the equivalent in common shares of Sarama, at the Company's sole discretion, will be due to the vendor upon successful re-issue of either or both of the exploration permits covering the Properties to Sarama by the government of Burkina Faso after the end of the current terms in July 2014. The shares in Sarama issued in connection with this transaction will be subject to a mandatory 4-month hold period under applicable securities laws.

COMMON SHARE DATA (As at June 30, 2012)

Common shares outstanding	51,513,312
Options issued to directors, executive officers, employees and consultants	4,050,000
Warrants issued to shareholders and agents	<u>10,243,012</u>
Common shares outstanding assuming exercise of all options and warrants	<u>65,806,324</u>

RISK AND UNCERTAINTIES

The Company's operations and results are subject to a number of different risks at any given time. These risk factors include, but are not limited to:

1. the Company's limited operating history;
2. negative operating cashflow and the need for additional financing;
3. early stage exploration and no mineral resources or reserves;
4. global economic conditions;
5. dependence on key management and qualified personnel;
6. exploration, development and mining risks;
7. title and property risks;
8. presence of artisanal miners;
9. risks associated with operations in Africa;
10. risks associated with maintaining a skilled workforce;
11. risks relating to government regulations;
12. environmental laws; regulations and risks;
13. uncertainty of acquiring necessary permits and compliance with terms;
14. infrastructure;
15. uninsurable risks;
16. enforcement of legal rights;
17. market factors and volatility of commodity prices;
18. fluctuations in foreign exchange rates;
19. competition;
20. acquisition risks;
21. conflicts of interest; and
22. Political risk

For a detailed explanation of each of these risks number 1 to 21, please refer to page 94 of the Company's final prospectus dated October 26, 2011. The Company's final prospectus is published at www.sedar.com.

The Company has now added political risk to its list of key risks and uncertainties. Recent events in Mali have highlighted this.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make certain estimates that affect the amounts reported. The accounting estimates considered to be significant include estimates of the recoverability of exploration and evaluation expenditures and stock-based compensation.

The Company capitalises its exploration and evaluation expenditure. The recoverability of these amounts is dependent upon a number of factors including the discovery of economically recoverable mineral deposits on

the properties, the ability of the Company to obtain the financing necessary to develop the properties, the ability of the Company to obtain the permits and approvals necessary to develop the properties, and future profitable production from the properties, or their disposition for proceeds in excess of their carrying amount.

The Company calculates the value of stock-based compensation using the Black-Scholes Option Pricing model. As the Company's shares have limited trading history and the volatility of the stock is calculated using a basket of comparative companies.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended June 30, 2012, and up to the date of this report, the Company had no off-balance sheet transactions.


RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not been adopted and are being evaluated to determine their impact on the Company:

- a) IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015;
- b) IFRS 10 "Consolidated Financial Statements" – effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more of the entities;
- c) IFRS 11 "Joint arrangements" ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non Monetary Contributions by Venturers". IFRS 11 is effective for the annual period beginning on or after January 1, 2013;
- d) IFRS 12 "Disclosure of Interests in Other Entities" – requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. The IFRS is effective January 1, 2013 with early adoption permitted; and
- e) IFRS 13 "Fair Value Measurement" – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.



Andrew Dinning
President and Chief Executive Officer



Nick Longmire
Chief Financial Officer