SARAMA RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the quarter ended March 31, 2016

(May 27, 2016)

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

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") is intended to supplement the consolidated financial statements of Sarama Resources Ltd. (the "**Company**" or "**Sarama**") and its subsidiaries for the period ended March 31, 2016.

The consolidated financial statements for the quarter ended March 31, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in United States dollars, unless otherwise stated.

This MD&A is current as at May 27, 2016.

Additional information relating to the Company is available on SEDAR at www.sedar.com under the Company's profile.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's 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 subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: our limited operating history, negative operating cash flow and need for additional financing; the early stage of our exploration and the fact that we have no mineral reserves; global economic conditions; our dependence on key management and qualified personnel; exploration, development and mining risks; title and property risks; risks related to the presence of artisanal miners; risks associated with operations in Africa; risks associated with maintaining a skilled workforce; risks relating to government regulations; environmental laws, regulations and risks; uncertainty regarding our ability to acquire necessary permits and comply with their terms; infrastructure risks; uninsurable risks; risks regarding our ability to enforce our legal rights; market factors and volatility of commodity prices; fluctuations in foreign exchange rates; competition; acquisition risks; conflicts of interest; price volatility in publicly traded securities; dilution; dividends and "passive foreign investment company" tax consequences to U.S. shareholders.

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. The Company believes 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 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 that may have been used.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. We cannot assure you that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except in accordance with applicable securities laws.

OVERVIEW

Sarama is a Canadian-incorporated mineral exploration company whose principal business objective is to explore for and develop gold deposits in West Africa.

The Company was incorporated on April 8, 2010 under the Business Corporations Act (British Columbia). The Company's primary office is located in Perth, Western Australia. The Company's common shares are listed on the TSX Venture Exchange ("**TSXV**"). The Company's symbol is "SWA".

The Company has built substantial early-stage exploration landholdings in prospective and underexplored areas in West Africa. As at March 31, 2016, the Company had exploration landholdings in Burkina Faso (2,775km^2) and Mali (110 km^2).

The Company's strategy is to focus on Burkina Faso which capitalises on its in-country presence and infrastructure.

The Company takes a systematic approach to exploration and typically moves through the following steps to achieve its exploration outcomes:

1. regional targeting for permit selection;
2. first-pass broad-based soil sampling;
3. follow up aircore ("**AC**") and rotary air blast ("**RAB**") drilling;
4. reverse circulation ("**RC**") and diamond drilling on identified targets;
5. further specialised geological studies and surveys in specific areas;

Concurrent with the above steps, the Company may undertake geophysics utilising induced polarisation ("**IP**"), magnetic, gravity and radiometric methods.

FIRST QUARTER HIGHLIGHTS

- *Completion of Sale of Liberian Exploration Properties to Aureus Mining Inc.* On January 6, 2015, the Company announced that it had completed the sale process of the Cape Mount, Cape Mount East and Cape Mount West properties to Aureus Mining Inc ("**Aureus**"). Shortly thereafter, the Company received 5,648,310 common shares in Aureus. These shares were subject to a four month hold period in accordance with Canadian securities legislation.
- *Increase in inferred mineral resources to 2.1 million ounces gold at the South Hounde Project.* On February 8, 2016, the Company announced an 87% increase in the oxide component of inferred mineral resources to 0.5 Moz of contained gold and a 40% increase in total inferred mineral resources to 2.1 Moz of contained gold at the South Houndé Project (the "**Project**") in south-west Burkina Faso. The revised mineral resource estimate represents a substantial increase in modelled gold mineralisation which is interpreted to extend for a strike length of over 10km within the Tankoro Structural Corridor, further demonstrating the scale of the mineralised system.

CORPORATE

As at March 31, 2016, the Company had cash and cash equivalents of $1,164,500 and no debt.

On February 26, 2016, the Company granted 1,445,000 employee options to employees, directors and officers of the Company. The option grant was the result of the Company's annual compensation review and the issuance was made in accordance with the stock option plan of the Company. The options vest immediately and have an exercise price of C$0.10 and are exercisable for a period of 3 years from the date of the grant thereof.

On March 11, 2016, the Company issued 500,000 common shares. The shares were consideration for the acquisition of uncapped 1% net smelter return royalty on gold produced from the Cape Mount property in Liberia, from the previous owner.

EXPLORATION ACTIVITIES

Burkina Faso

As at March 31, 2016 the Company had interests, directly and indirectly, in properties covering an area of 2,624 km^2.

The primary exploration focus of the Company has been its South Houndé Project which is situated in south-west Burkina Faso near the borders of Ghana and Côte d'Ivoire, 260 km south-west of the national capital of Ouagadougou. The South Houndé Project is located in the Houndé Belt, which hosts Semafo Inc.'s Mana Gold Mine, Roxgold Inc.'s Yaramoko Gold Mine and Endeavour Mining Corp's Houndé Gold Project.

On November 27, 2014, the Company signed an earn-in agreement with Acacia, whereby Acacia will have the option to earn up to 70% interest in the Project by satisfying certain conditions over a 4-year earn-in period and then the right to acquire an additional 5% interest, for an aggregate 75% interest in the Project, upon declaration of a 1.6 million ounce mineral reserve.

The Company also has a 30% interest in the Karankasso Project Joint Venture (the "**JV**") with Savary Gold Corp. ("**Savary**"). Savary is the operator of the JV.

Tankoro Property

Location and Size

The Tankoro property is part of the Company's South Houndé Project and covers an area of 187.5 km^2. Upon renewal of the permit for its mandatory second renewal, the Company was required to relinquish 25% of the area of the permit.

Permit Status

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

On November 2, 2012, the Company exercised its option to acquire ownership of the Tankoro permit. Pursuant to the agreement with the vendor, the vendor retains the right to a 1.5% NSR royalty for any future mineral production from the Property. The Company retains the right to acquire the NSR royalty for $1 million at any time.

On March 23, 2013, the Burkina Faso Ministry of Mines and Energy issued the exploration permit to a Sarama wholly-owned subsidiary. The permit contained no additional conditions and was valid until December 17, 2015. In accordance with the Burkina Faso Mining Code, the Company has elected to renew the permit for a further three years from this expiry date.

On September 16, 2015, the Burkina Faso Ministry of Mines and Energy issued the mandatory second renewal of the Tankoro permit to a Sarama wholly-owned subsidiary. The permit contained no additional conditions and is valid until December 17, 2017.

Exploration Update

Historical
2013

In the first quarter of 2013, the Company completed 4,138 metres of diamond drilling, 12,726 metres of RC drilling and 25,161 metres of AC drilling. The diamond and RC drilling was focused on extensions to mineralisation at the MM Prospect, both along strike and in the footwall and hangingwall lodes. The drilling programs extended the strike length of mineralisation at the MM Prospect by 25% to 1.9 kilometres as well as confirming continuity to a depth of 260 vertical metres. Of note was the definition of a thick (approximately 15m true width), high-grade zone in the south of the mineralised system, which remains open at depth and to the south.

The AC drilling was undertaken to test anomalies identified during the ground-based IP program which occurred in the fourth quarter of 2012 in the Tankoro structural corridor. This drilling confirmed the presence of mineralisation at several prospects which will be further tested with RC drilling.

Following the success of the initial test grid, an expanded IP survey, covering a strike length of 9 kilometres was undertaken to the north and south. The results of this survey have been used successfully to generate drill targets and improve the understanding of the geological setting.

In the second quarter of 2013, the Company completed 1,732 metres of diamond drilling, 6,651 metres of RC drilling and 13,603 metres of aircore drilling. The Company focused its exploration work on the three main prospects on its Tankoro property, namely, MM, MC and Phantom.

At the MM and Phantom Prospects, infill drilling was undertaken to support and assist with resource definition and preparation of the maiden mineral resource. The Company also commenced drilling an IP target east of the MM Prospect, which following positive drill results, was named the MC Prospect. The MC Prospect was not detected in original soil sampling programs as the area had no gold anomalism due to transported material. Following the IP survey undertaken in November 2012 and scout AC drilling in the area, numerous targets have been generated and are being systematically followed up with drill programs, the results of which are encouraging.

During the third quarter of 2013 no field activities were undertaken on the Tankoro Property. The Company normally has an annual shutdown for the period from July to September due to the onset of the rainy season in West Africa, which makes field activities less productive.

The focus of the Company during the third quarter was the interpretation of data by the technical team resulting in the Company publishing its maiden Mineral Resource on the Tankoro Property. The Inferred Mineral Resource of 29.13 Mt @ 1.6 g/t Au for 1.5 Moz (@ 0.8 g/t Au cut-off) was published on September 16, 2013 following two years of exploration work. The Mineral Resource extends over a strike length of 5.5 km and spans the MM, MC and Phantom Prospects.

During the fourth quarter of 2013, mapping and a limited amount of trenching activity was undertaken at Tankoro. No drilling activity was undertaken at Tankoro during the fourth quarter.

2014

During the first quarter of 2014, mapping and trenching activity continued at Tankoro. Consistent with the fourth quarter of the previous year, no drilling was undertaken.

During the second quarter of 2014, the Company undertook a 9,000m AC program targeting oxide material with the aim of increasing the oxide resource to a size that may potentially support a heap leach operation on its South Houndé properties. The target area was situated immediately south west of the MM Prospect and extended over 3km in strike length. The drill program defined a significant strike extension to the MM Prospect and further drilling is anticipated to add materially to the existing oxide mineral resource. Multiple oxide targets remain in footwall zones and zones along trend to the north east of the MM Prospect.

There was also a small amount of trenching and fieldwork undertaken in the quarter.

Preliminary metallurgical testwork on mineralisation sourced from the Mineral Resource continued to show excellent oxidation and leaching characteristics and gold recoveries using the BIOX® oxidation route were excellent. Cost estimation work for a BIOX® flow sheet indicates that the cost impact is modest and manageable particularly in context of the head grades being considered in mine concept work.

Preliminary heap leach testwork was conducted on oxide mineralisation during the second quarter. The testwork consisted of percolation and agglomeration scouting phases and minor variability testing. A full column leach was conducted on an oxide composite sample dosed at 10kg/t cement. Results were very encouraging, with a gold extraction of 87.2% achieved for the full column test with low-moderate NaCN consumption of 0.2-0.3kg/t. The testwork indicates that heap leaching is a viable processing alternative for the oxide component of the mineral resource.

The Company undertook limited exploration activity at Tankoro during the second quarter. The Company announced the results of its aircore drilling program at the Obi prospect in the second quarter (Refer news release dated September 9, 2014) with the result being that the Company delineated another 1.8km of gold mineralisation, bringing the total strike length of semi-continuous mineralisation to 7.3km.

During the third quarter of 2014, in respect of the Tankoro property, the Company progressed a comprehensive metallurgical testwork program to examine the amenability and viability of a sulphide-based flotation concentrate to oxidation by both the BIOX® and Albion Process™ technologies. These competing and commercially used technologies are integrated into a conventional gold plant and act as a pre-conditioning stage for a flotation concentrate prior to gold recovery by standard cyanidation.

The testwork has increased confidence in the economic potential of the South Houndé Project and assists early scoping work being used to guide exploration toward achieving a mineral resource base capable of supporting project development.

While the Company fully acknowledges it has yet to define sufficient mineral resources to contemplate the commencement feasibility studies, the confirmation of two alternative processing flowsheets for the fresh mineralisation by the testwork at this early stage is encouraging.

With the finalisation of the Acacia earn-in agreement in November 2014, activity for the month was primarily centred on establishment work to support the commencement of exploration in December. During the fourth quarter the Company completed 3,400m of AC drilling, 940m of RC drilling and 625m of diamond drilling.

<u>2015</u>

During the first quarter, the Company successfully completed an initial program of 7,170m, 2,600m and 4,600m of AC, RC and diamond drilling, respectively, to test:

- high-grade shoot controls at the MM and MC Prospects;
- strike extensions to the current mineral resource, including the Phantom Prospect; and
- new targets to support growth of the Project's oxide mineral resource and to identify additional deeper drilling targets.

The Company also undertook IP geophysical surveys, which included both a gradient-array survey to extend previous IP survey to the north-north-east of the existing mineral resource and a pole-dipole survey to image deeper, sulphide-rich targets at the MM and MC Prospects.

A 9,200 line-km airborne magnetic-radiometric survey was also completed over the entire 760 km^2 Project.

During the second quarter, the Company successfully completed a significant regional and extensional AC drilling program and also a smaller RC and Diamond drilling program to test:

- high-grade shoot extensions and deeper geophysical anomalies at the MM South and MC Prospects;
- strike extensions to the current mineral resource, including the Phantom and Obi Prospects;
- new targets to support growth of the Project's oxide mineral resource and to infill broadly spaced oxide drill fences ; and
- geochemical and geophysical targets within the wider Project area.

Exploration field activities ceased in July with onset the rainy season in Burkina Faso. A significant number of assays were processed through the laboratories in July and early August. Assay results were reviewed and have formed part of the planning of the next phases of drilling.

During the fourth quarter of 2015, field activities for the quarter commenced in November. During November and December, the Company completed 3,700 metres of RC Drilling and 1,300 metres of AC drilling on the Tankoro property.

2016

Current quarter

During the first quarter of 2016, the Company completed 1,300 metres of aircore drilling, 2,600 metres of RC drilling and 450 metres of diamond drilling at the Tankoro property.

During the quarter, the Company announced an 87% increase in the oxide component of inferred mineral resources to 0.5 Moz of contained gold and a 40% increase in total inferred mineral resources to 2.1 Moz of contained gold at the Project in south-west Burkina Faso. The revised mineral resource estimate represents a substantial increase in modelled gold mineralisation which is interpreted to extend for a strike length of over 10km within the Tankoro Structural Corridor, further demonstrating the scale of the mineralised system.

Other Burkina Faso Properties

During the quarter, the Company completed 2,700 metres of AC drilling at its Bini property, 1,000 metres of RC drilling at its Ouangoro property, 2,100 metres of AC drilling at its Tyikoro property and an auger program at its Werinkera property.

No exploration activity was undertaken on its other Burkina Faso properties.

Outlook

The Company has diamond drilling programs planned for the second quarter of 2016 at its Tankoro property and a 5,000 metres AC program at its Werinkera property. The rainy season will get underway in July when field activities will cease. Exploration activity then resumes in October.

Qualified Person's Statement

Scientific or technical information in this MD&A that relates to the Company's exploration activities in Burkina Faso is based on information compiled or approved by Guy Scherrer. Mr Scherrer is a full time employee of Sarama Resources Ltd and is a member in good standing of the Ordre des Géologues du Québec and has sufficient experience in the commodity, the style of mineralisation under consideration and activities which he is undertaking as a Qualified Person under National Instrument 43-101. Mr Scherrer consents to the inclusion in this MD&A of the information, in the form and context in which it appears.

Scientific or technical information in this MD&A that relates to the preparation of the Company's mineral resource estimate is based on information compiled or approved by Adrian Shepherd. Mr. Shepherd is an employee of Cube Consulting Pty Ltd and is considered to be independent of Sarama Resources Ltd. Mr. Shepherd is a chartered professional member in good standing of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the commodity, style of mineralisation under consideration and activity which he is undertaking to qualify as a Qualified Person under National Instrument 43-101. Mr. Shepherd consents to the inclusion in this MD&A of the information, in the form and context in which it appears.

Mali

The Company has interests in one property covering 110 km^2 in Mali.

Mali has been through a period of political and military instability since the coup d'état of April 2012. The Company continues to monitor the situation in Mali.

In 2015, the Company relinquished its office lease in Bamako. All exploration activity and administration is now managed from its Burkina Faso office.

During the first quarter of 2016, the Company did not conduct any activities in Mali.

Outlook

The Company is not planning any activities for the second quarter of 2016.

Liberia

During first quarter of 2016, the Company continued to wind up its activities in Liberia. On March 31, 2016, the Company relinquished its office lease in Monrovia and all in-country operations ceased.

SELECTED ANNUAL INFORMATION

The following table includes selected financial information for the past three years.

	Period ended March 31, 2016	Period ended March 31, 2015	Year ended March 31, 2014
Interest income	291	2,562	6,160
Net income (loss)	(572,854)	(447,793)	(409,229)
Basic and diluted gain (loss) per common share (cents)	(0.6c)	(0.5c)	(0.6c)
Total assets	23,978,450	28,663,312	28,693,971
Total liabilities	1,294,466	405,377	263,280

RESULTS OF OPERATIONS

	Period ended March 31, 2016 $	Period ended March 31, 2015 $
Interest income	291	2,562
Accounting and audit	(11,950)	(24,710)
Corporate development	(25,839)	(5,711)
Salaries	(192,419)	(176,754)
Directors fees	(20,804)	(37,085)
Professional fees	(1,563)	(6,328)
Office and general	(103,872)	(31,472)
Travel	(21,107)	(29,931)
Marketing and investor relations	(2,783)	(14,427)
Insurance	(6,493)	-
Total general and administration	(386,830)	(326,418)
Stock-based compensation	(33,947)	(30,991)
Foreign exchange loss (gain)	6,558	(37,550)
Depreciation	(3,630)	(6,701)
Fair value loss on warrants carried at fair value through profit and loss	(137,918)	(48,695)
Fair value gain on available-for-sale financial assets	46,058	-
Loss on disposal of assets	(63,436)	-
Net profit/(loss)	**(572,854)**	**(447,793)**

Interest income

Interest income is earned on funds held in transaction accounts and term deposits denominated in United States dollars, Australian dollars and Canadian dollars. Interest income has declined from the previous year due to the lower cash balances held by the Company during 2015 and the Company preferring to hold a higher weighting of US dollars, with a resulting decrease in average interest rate achieved.

Fair value loss on warrant liability

As part of the equity raisings undertaken by the Company, shareholders will, at times, receive warrants in addition to the shares issued by the Company.

To comply with IFRS, the Company is required to record the full fair value of the warrants at the time of issue as a liability and revalue them to fair value each quarter. Should they be exercised then they would, at that point, be recorded in Share Capital.

At balance date the Company had 14,497,706 warrants issued which were issued as part of the non-brokered private placement in May/June, 2014 and December, 2015.

The value of the warrant liability has increased due to the extension of the warrants that were due to lapse through May to July 2016 by one year. This was announced on May 6, 2016.

These outstanding warrants are revalued to fair value at the end of each reporting period using the Black-Schöles Option Pricing Model utilising the assumptions disclosed in the consolidated financial statements. For the period ended March 31, 2016 the value of these warrants was $232,922 (December 31, 2015: $95,004).

General and administration

General and administration expenses have increased from $326,418 to $386,830 when compared to the period ended March 31, 2015.

General and administration expenses have increased due to the inclusion of Liberian overheads for the first time. With all properties either relinquished or sold in Liberia there have been some office and other costs carried for the period up until the close of operations on March 31, 2016.

Head office costs relating to Perth administration are consistent with prior year.

Stock-based compensation

The Company operates a TSX-V and shareholder-approved stock option plan.

On February 26, 2016 the Company issued 1,445,000 options to directors, executives and employees.

The Company's accounting policy with respect to stock-based compensation is detailed in Note 2 "Significant Accounting Policies" in the Consolidated Financial Statements for the year ended March 31, 2016.

The stock-based compensation costs reflect the calculated value of the option issues mentioned above.

Foreign exchange

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.

The Company has held its funds primarily in US dollars throughout the first quarter and there has been a modest strengthening of its non-US currency holdings when compared to prior year.

Depreciation

The depreciation charge relates to the assets held at the Perth office. The charge is consistent with the prior year reflecting minimal change to the assets in the Perth office.

Fair value gain on available-for-sale financial assets

The Company received 5,648,310 common shares in Aureus Mining Inc. as consideration for the sale of its Cape Mount properties in Liberia on January 6, 2016. These shares were still held at March 31, 2016 and were revalued using the quoted price for the shares as at March 31, 2016. The amount of $46,058 recognised represents the difference between the value when the shares were received on January 6, 2016 and the value as at March 31, 2016.

Loss on sale of assets

The amount represents the accounting write off of assets scrapped or sold with the cessation of operations in Liberia.

EXPLORATION AND EVALUATION EXPENDITURE

The Company capitalises all costs related to the acquisition, exploration and development of mineral properties until such time as a mineral property is put into commercial production, is sold or becomes impaired as allowed under IFRS 6 "Exploration for and Evaluation of Mineral Resources". The Company has capitalised $39,864 for the period ended March 31, 2016 on exploration and evaluation activities.

Total exploration and evaluation expenditure for the quarter was $1,000,057 but this was offset by funding received from its earn-in partner of $960,193.

SUMMARISED QUARTERLY RESULTS

Summarised quarterly results for the past eight quarters are:

Quarter ended	Interest income	Net profit/(loss) for the period	Basic earnings/(loss) per share	Diluted earnings/(loss) per share
March 31, 2016	$291	$(572,854)	(0.6c)	(0.6c)
December 31, 2015	$30	$(2,500,128)	(0.3c)	(0.3c)
September 30, 2015	$345	$(2,581,622)	(2.9c)	(2.9c)
June 30, 2015	$140	$(465,603)	(0.5c)	(0.5c)
March 31, 2015	$2,562	$(447,793)	(0.5c)	(0.5c)
December 31, 2014	$3,882	$(295,780)	(0.3c)	(0.3c)
September 30, 2014	$3,498	$ (286,788)	(0.4c)	(0.4c)
June 30, 2014	$3,552	$(1,102,885)	(1.5c)	(1.5c)

The primary driver for the variance in net profit and loss over the quarters is the write off of permits and movements in the warrant liability

The only other components of the net profit and loss are the general and administrative costs of running the Perth office, foreign exchange gains and losses, stock-compensation costs and depreciation.

LIQUIDITY AND CAPITAL RESOURCES

At this point in time, the Company does not generate cash from mining operations. In order to fund its exploration and administrative activities, the Company is dependent upon raising capital through the issue of shares and warrants. The Company continues to believe such financing will be available, as and when required and on acceptable terms but there is no guarantee that is the case.

As at March 31, 2016 the Company had working capital of $471,415 Working capital is defined as current assets less current liabilities.

COMMON SHARE DATA (as at May 27, 2016)

Common shares outstanding	95,655,307
Options issued to directors, executive officers, employees and a consultant	9,562,500
Warrants issued to shareholders and agents	14,497,707
Common shares outstanding assuming exercise of all options and warrants	119,715,514

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. exploration and development risk;
2. market factors and volatility of commodity prices;
3. negative operating cash flow and the need for additional financing;
4. limited operating history;
5. global economic conditions;
6. price volatility in publicly traded securities;
7. title and property risks;
8. dependence on key management and qualified personnel;
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 risks;
15. uninsurable risks;
16. enforcement of legal rights;
17. risks relating to the presence of artisanal miners;
18. fluctuations in foreign exchange rates;
19. competition;
20. acquisition risks;
21. conflicts of interest;
22. dilution;
23. dividends;
24. PFIC classification; and
25. Pandemic risks.

For a detailed explanation of each of these risks number 1 to 24, please refer to page 15 of the Company's Annual Information Form dated November 21, 2013. The Company's Annual Information Form is published at www.sedar.com.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended March 31, 2016, and up to the date of this report, the Company had no off-balance sheet

CHANGES IN ACCOUNTING POLICIES

There has been no change to accounting policies since January 1, 2016.

RECENT ACCOUNTING PRONOUNCEMENTS

The following pronouncements were issued by the IASB and will be mandatory for accounting periods after March 31, 2016. The pronouncement have been evaluated and are not considered advantageous for early adoption.

IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Company is assessing the impact of adopting IFRS 9 on its consolidated financial statements which is mandatory for financial years commencing on or after January 1, 2018.

The IASB has issued a new standard (IFRS 15) for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Company is currently assessing the impact of adopting IFRS 15 on its consolidated financial statements which is mandatory for financial years commencing on or after 1 January 2017.

ADDITIONAL INFORMATION

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