

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada except the Province of Québec but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions.

These securities have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, the securities may not be issued in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities within the United States. See "Plan of Distribution".

This document is only being and may only be distributed to and directed at: (i) persons outside the United Kingdom; or (ii) persons in the United Kingdom who are: (a) "qualified investors" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000, as amended (the "FSMA"); and (b) within the categories of persons referred to in Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order") (all such persons together being referred to as "relevant persons"). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document contains no offer of transferable securities to the public in the United Kingdom within the meaning of sections 85(1) and 102B of the FSMA. This document is not a prospectus for the purposes of Section 85(1) of the FSMA. Accordingly, this document has not been approved as a prospectus by the United Kingdom Financial Services Authority (the "FSA") under Section 87A of the FSMA and has not been filed with the FSA pursuant to the rules published by the FSA implementing the Prospectus Directive (2003/71/EC) nor has it been approved by a person authorized under the FSMA.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Banro Corporation at 1 First Canadian Place, P.O. Box 419, 100 King Street West, Suite 7070, Toronto, Ontario, M5X 1E3, Canada, telephone (416) 366-2221 and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

March 26, 2013



BANRO CORPORATION

U.S.\$70,000,000

**Canadian dollar equivalent of
U.S.\$20,000,000 - U.S.\$40,000,000**

● **Common Shares**

U.S.\$30,000,000 - U.S.\$50,000,000

● **Series A Preference Shares**

This short form prospectus qualifies the distribution (the "Offering") of ● common shares (the "Common Shares", each a "Common Share") of Banro Corporation (the "Company" or "Banro") at a price of C\$● per Common Share (the "Common Share Price") and ● Series A Preference Shares (the "Series A Shares", each a "Series A Share" and together with the Common Shares, the "Offered Shares") of Banro at a price of U.S.\$25.00 per Series A Share (the "Series A Share Price"). The Offered Shares offered hereby may be offered separately or together, in an aggregate initial offering amount of U.S.\$70,000,000. The Offered Shares will be issued and sold pursuant to an agency agreement (the "Agency Agreement") to be entered into between the Company and GMP Securities L.P. (the "Agent"). The Common Share Price and the Series A Share Price have been determined by negotiation between the Company and the Agent.

The outstanding common shares of Banro are listed for trading on the Toronto Stock Exchange (the "TSX") and on the NYSE MKT LLC (the "NYSE MKT"), in each case under the symbol "BAA". See "Description of Share Capital". On March 25, 2013, the last trading day before the date of filing of this short form prospectus, the closing price of the Common Shares on the TSX was C\$1.99 and the closing price of the Common Shares on the NYSE MKT was U.S.\$1.94. The

Company will apply to list: (i) the Common Shares to be issued upon closing of the Offering; and (ii) the Over-Allotment Shares (as defined below) issuable upon exercise of the Over-Allotment Option (as defined below) on the TSX and the NYSE MKT. The Company will apply to list the Series A Shares distributed under this short form prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX and the NYSE MKT, as applicable.

An investment in the Offered Shares involves a high degree of risk. See “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors”. There is currently no market through which the Series A Shares may be sold and purchasers may not be able to resell Series A Shares purchased under this short form prospectus. This may affect the pricing of the Series A Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series A Shares, and the extent of issuer regulation. See “Risk Factors”.

	<u>Price to the Public</u>	<u>Agent’s Fee⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Common Share	C\$●	C\$●	C\$●
Per Series A Share	U.S.\$25.00	U.S.\$●	U.S.\$●
Total ⁽³⁾⁽⁴⁾	U.S.\$70,000,000	U.S.\$●	U.S.\$●

Notes:

- (1) Pursuant to the Agency Agreement, the Company has agreed to pay to the Agent a fee (the “Agent’s Fee”), equal to 5.0% of the aggregate gross proceeds from the sale of Common Shares pursuant to the Offering and 3.0% of the aggregate gross proceeds from the sale of Series A Shares pursuant to the Offering. See “Plan of Distribution”.
- (2) After deducting the Agent’s Fee, but before deducting expenses of the Offering, which are estimated to be C\$● and which will be paid from the proceeds of the Offering.
- (3) The Company will grant an over-allotment option (the “Over-Allotment Option”) to the Agent, exercisable, in whole or in part, within 30 days from the Closing Date (as defined below), to purchase, up to the number of Common Shares that is equal to 7.5% of the aggregate number of Common Shares sold pursuant to the Offering (each, an “Over-Allotment Share”) at a price of C\$● per Over-Allotment Share. In this short form prospectus, unless otherwise specified, the term “Offered Shares” includes the Over-Allotment Shares. If the Over-Allotment Option is exercised in full, the total “Price to the Public”, “Agent’s Fee” and “Net Proceeds” to the Company will be U.S.\$●, U.S.\$● and U.S.\$●, respectively. A purchaser who acquires any Offered Shares issued pursuant to the exercise of the Over-Allotment Option acquires those securities under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of the Over-Allotment Shares issuable upon any exercise of the Over-Allotment Option. See “Plan of Distribution”.
- (4) Assuming an exchange rate of C\$1.00 = U.S.\$●.

The Agent conditionally offers the Common Shares and Series A Shares for sale on a “best efforts” basis, if, as and when issued and sold by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Norton Rose Canada LLP and on behalf of the Agent by Blake, Cassels & Graydon LLP.

The following table sets forth the number of securities issuable under the Over-Allotment Option:

<u>Underwriter’s Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period or Acquisition Date</u>	<u>Exercise Price or Average Acquisition Price</u>
Over-Allotment Option.....	● Over-Allotment Shares	30 days following the Closing Date	C\$● per Over-Allotment Share

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing is expected to take place on or about ●, 2013, or such other date as may be agreed upon by the Company and the Agent, but in any event no later than 90 days from the date a receipt is issued for the (final) short form prospectus (the “Closing Date”). It is expected that one or more global certificates evidencing the Common Shares distributed under this short form prospectus will be issued in registered form to CDS Clearing and Depository Services Inc. (“CDS”) and will be deposited with CDS at closing and in certain limited circumstances, certificates representing the Common Shares will be issued in registered form on the Closing Date. Certificates representing the Series A Shares will be issued in registered form on the Closing Date. During the distribution of the Common Shares, the Agent may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares in accordance with applicable market stabilization rules. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

BlackRock World Mining Trust plc (“BlackRock”) has indicated its non-binding commitment to complete a brokered private placement of 1,200,000 Series B Preference Shares in the capital of Banro (“Series B Shares”) at U.S.\$25.00 per Series B Share (the “BlackRock Transaction”) concurrent with the completion of the Offering, subject to BlackRock being satisfied

in its sole discretion with the terms of the Series A Shares and Series B Shares, the results of its due diligence and the satisfaction of certain other conditions. The terms of the BlackRock Transaction are expected to be finalized once the terms of the Offering have been finalized. Any distribution of Series B Shares to BlackRock pursuant to the BlackRock Transaction would not be qualified by this short form prospectus and would be subject to the approval of the TSX and the NYSE MKT.

The Company's earnings coverage ratio for the 12 months ended September 30, 2012 and the 12 months ended December 31, 2011 was less than one-to-one.

The head and registered office of the Company is located at 1 First Canadian Place, Suite 7070, 100 King Street West, Toronto, Ontario, M5X 1E3, Canada.

John Clarke, the Company's Interim President and Chief Executive Officer and a director of the Company, resides outside of Canada. Although Mr. Clarke has appointed the Company (at 1 First Canadian Place, Suite 7070, 100 King Street West, Toronto, Ontario, M5X 1E3, Canada) as his agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against him.

You should rely only on the information contained in or incorporated by reference into this short form prospectus. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus.

TABLE OF CONTENTS

Page No.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS.....	1
DOCUMENTS INCORPORATED BY REFERENCE.....	2
EXCHANGE RATE INFORMATION	3
THE COMPANY.....	3
BUSINESS OF THE COMPANY.....	4
CONCURRENT FINANCING	5
CONSOLIDATED CAPITALIZATION.....	5
EARNINGS COVERAGE RATIO	6
USE OF PROCEEDS	6
DESCRIPTION OF SHARE CAPITAL	7
PRIOR SALES	7
TRADING PRICE AND VOLUME	8
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	8
PLAN OF DISTRIBUTION.....	15
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	17
RISK FACTORS	20
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	32
LEGAL MATTERS.....	33
INTEREST OF EXPERTS	33
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	33
ELIGIBILITY FOR INVESTMENT.....	33
INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS' CONSENT	A-1
CERTIFICATE OF BANRO CORPORATION.....	C-1
CERTIFICATE OF THE AGENT.....	C-2

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this Prospectus are references to U.S. dollars. References to “C\$” are to Canadian dollars and references to “U.S.\$” are to U.S. dollars. See “Exchange Rate Information”. The Company’s financial statements that are incorporated by reference into this short form prospectus have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Unless otherwise indicated, all information in this short form prospectus assumes no exercise of the Over-Allotment Option.

Unless the context otherwise requires, references in this Prospectus to “Banro” or the “Company” includes Banro Corporation and each of its material subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain “forward-looking information” within the meaning of Canadian provincial securities laws. All statements, other than statements which are reporting historical results as well as 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 estimates and/or assumptions in respect of gold production, revenue, cash flow and costs, estimated project economics, mineral resource and mineral reserve estimates, potential mineralization, potential mineral resources and mineral reserves, projected timing of future gold production and the Company’s exploration and development plans and objectives with respect to its projects) 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 a number of risks and uncertainties that may cause the actual events or results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual events or results are realized or substantially realized, 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, among other things: uncertainty of estimates of capital and operating costs, production and economic returns; uncertainties relating to the estimates and assumptions used in the economic studies of the Company’s projects; the early stage of gold production at the Company’s Twangiza mine; failure to establish estimated mineral resources or mineral reserves; fluctuations in gold prices and currency exchange rates; inflation; gold recoveries being less than those indicated by the metallurgical testwork carried out to date (there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production) or less than those expected following the planned expansion of the Twangiza plant; changes in equity markets; political developments in the Democratic Republic of the Congo (the “DRC”); lack of infrastructure; implementation of rules adopted by the U.S. Securities and Exchange Commission (the “SEC”) that may affect mining operations in the DRC; failure to procure or maintain, or delays in procuring or maintaining, permits and approvals; lack of availability at a reasonable cost or at all, of plants, equipment or labour; inability to attract and retain key management and personnel; changes to regulations or policies affecting the Company’s activities; uncertainties relating to the availability and costs of financing in the future; the uncertainties involved in interpreting drilling results and other geological data; the Company’s history of losses; the Company’s ability to acquire additional commercially mineable mineral rights; risks related to the integration of any new acquisitions into the Company’s existing operations; increased competition in the mining industry; and the other risks disclosed under the heading “Risk Factors” in this short form prospectus and under the heading “Risk Factors” and elsewhere in the Company’s annual information form dated March 26, 2012 which is available electronically through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and as an exhibit to the Company’s annual report on Form 40-F on EDGAR at www.sec.gov and which is incorporated herein by reference.

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. 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.

The mineral resource and mineral reserve figures referred to in this short form prospectus are estimates and no assurances can be given that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource and reserve estimates included in this short form prospectus are well established, by their nature, resource and reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Confidence in the estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances. Inferred mineral resources are excluded from estimates forming the basis of a feasibility study.

Statements concerning actual mineral reserve and mineral resource estimates are also deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the relevant project or property is developed. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the applicable Canadian Securities Authorities. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Banro Corporation at 1 First Canadian Place, P.O. Box 419, 100 King Street West, Suite 7070, Toronto, Ontario, M5X 1E3, Canada, telephone (416) 366-2221 and are also available electronically through the Internet on SEDAR which can be accessed under the Company's profile on the SEDAR website at www.sedar.com.

The following documents of the Company, filed by the Company with the Canadian Securities Authorities, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the annual information form of the Company dated March 26, 2012 for the financial year ended December 31, 2011 (the "**AIF**") (including the documents incorporated by reference therein);
- (b) the management information circular of the Company dated May 30, 2012 prepared for the purposes of the meeting of shareholders held on June 29, 2012;
- (c) the management information circular of the Company dated May 27, 2011 prepared for the purposes of the meeting of shareholders held on June 29, 2011;
- (d) the audited comparative consolidated financial statements of the Company as at December 31, 2011, December 31, 2010 and January 1, 2010 and for the years ended December 31, 2011 and December 31, 2010, including the notes thereto, and the reports of independent registered chartered accountants thereon (the "**Annual Financials**");
- (e) management's discussion and analysis of the Company for the financial year ended December 31, 2011 (the "**Annual MD&A**");
- (f) the unaudited interim condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2012, including the notes thereto (the "**Interim Financials**");
- (g) management's discussion and analysis of the Company for the nine months ended September 30, 2012 (the "**Interim MD&A**");
- (h) the technical report dated March 15, 2013 and entitled "Independent National Instrument 43-101 Technical Report on the Lugushwa Gold Project, South Kivu Province, Democratic Republic of the Congo", prepared by Venmyn Deloitte (the "**Lugushwa Technical Report**");
- (i) the material change report of the Company dated March 13, 2013 filed on Form 51-102F3 announcing the appointment of an Interim President and Chief Executive Officer of the Company;
- (j) the material change report of the Company dated February 28, 2013 filed on Form 51-102F3 announcing the arrangement of a financing package of up to U.S.\$90 million;
- (k) the material change report of the Company dated February 8, 2013 filed on Form 51-102F3 relating to updated mineral and mineral reserve estimates in respect of the Company's gold projects in the DRC;
- (l) the material change report dated November 23, 2012 filed on Form 51-102F3 announcing exploration updates to the Company's four gold projects, Twangiza, Namoya, Lugushwa and Kamituga in the DRC;
- (m) the material change report dated March 5, 2012 filed on Form 51-102F3 announcing the increase of a brokered private placement debt offering to gross proceeds of U.S.\$175 million and the closing of the offering; and
- (n) the material change report dated February 3, 2012 filed on Form 51-102F3 announcing the completion of an updated Economic Assessment for the Company's Namoya project in the DRC.

Any document of the type referred to in section 11.1 of Form 44-101F1 — *Short Form Prospectus*, if filed by the Company after the date of this short form prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute part of this short form prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this short form prospectus. Upon filing of the Company's audited comparative consolidated financial statements of the Company as at December 31, 2012, December 31, 2011 and January 1, 2011 and for the years ended December 31, 2012 and December 31, 2011, including the notes thereto and the reports of independent registered chartered accounts thereon, the Annual Financials and Interim Financials will be superseded and upon filing the management's discussion and analysis of the Company for the financial year ended December 31, 2012, the Annual MD&A and Interim MD&A will be superseded. Upon filing the annual information of the Company for the financial year ended December 31, 2012, the AIF will be superseded. Information and data derived from the technical report dated March 30, 2007 and entitled "Third NI 43-101 Technical Report, Lugushwa Project, South Kivu Province, Democratic Republic of the Congo" which would be incorporated by reference herein has been superseded by the information and data in the Lugushwa Technical Report.

EXCHANGE RATE INFORMATION

All references to "U.S.\$" or "U.S. dollars" in this short form prospectus refer to United States dollars, and all references to "C\$" or "Canadian dollars" in this short form prospectus refer to Canadian dollars. The noon exchange rate on March 25, 2013 as reported by the Bank of Canada for the conversion of Canadian dollars into U.S. dollars was C\$1.00 equals U.S.\$0.9787.

During the periods set forth below, the noon-day exchange rates for the U.S. dollar per Canadian dollar as quoted by the Bank of Canada were:

	Years Ended December 31,			
	Month Ended February 28,			
	2013 (U.S.\$)	2012 (U.S.\$)	2011 (U.S.\$)	2010 (U.S.\$)
Rate at end of period.....	0.9723	1.0051	0.9833	1.0054
Average rate during period.....	0.9902	1.0004	1.0110	0.9709
Highest rate during period.....	1.0040	1.0299	1.0583	1.0054
Lowest rate during period.....	0.9723	0.9599	0.9430	0.9278

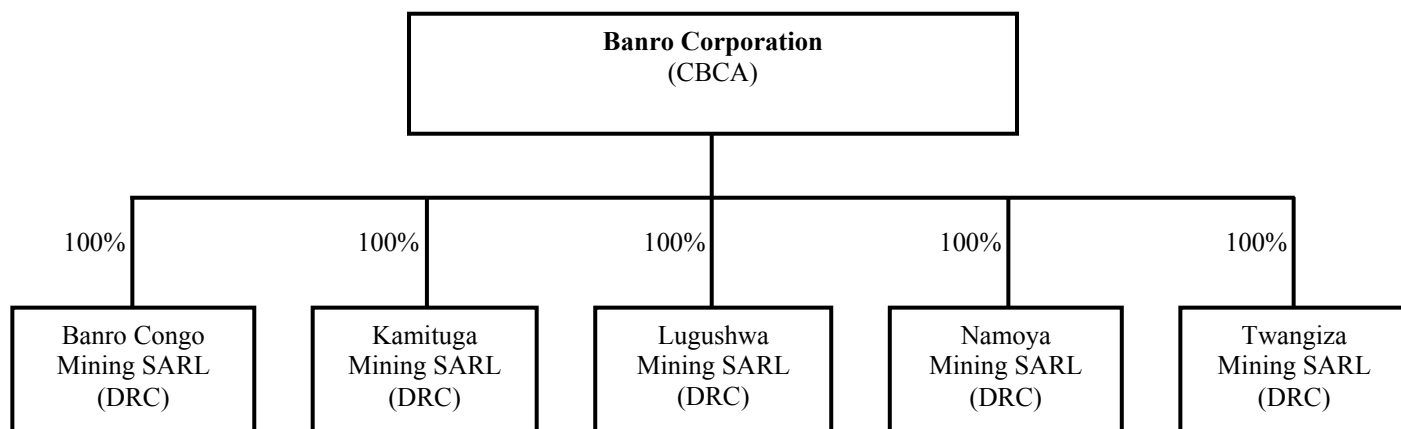
THE COMPANY

The head and registered office of Banro is located at 1 First Canadian Place, Suite 7070, 100 King Street West, Toronto, Ontario, M5X 1E3, Canada.

The Company was incorporated under the *Canada Business Corporations Act* (the "CBCA") on May 3, 1994 by articles of incorporation. Pursuant to articles of amendment effective May 7, 1996, the name of the Company was changed from Banro International Capital Inc. to Banro Resource Corporation. The Company was continued under the *Business Corporations Act* (Ontario) by articles of continuance effective on October 24, 1996. By articles of amendment effective on January 16, 2001, the name of the Company was changed to Banro Corporation and the Company's outstanding common shares were consolidated on a three-to-one basis. The Company was continued under the CBCA by articles of continuance dated April 2, 2004. By articles of amendment dated December 17, 2004, the Company's outstanding common shares were subdivided by changing each one of such shares into two common shares.

Banro is a gold mining company focused on production from the Twangiza oxide mine in the DRC and development of three additional major, wholly-owned gold projects, each with mining licenses, along the 210 kilometre long Twangiza-Namoya gold belt in the South Kivu and Maniema provinces of the DRC. Banro's plans include construction of its second gold mine at Namoya at the south end of the gold belt, as well as the development of two other projects, Lugushwa and Kamituga, in the central portion of the belt.

The following chart illustrates the relationship between Banro and its material subsidiaries, together with the jurisdiction of incorporation of each such subsidiary and the percentage of voting securities beneficially owned, or controlled or directed, directly or indirectly, by Banro.

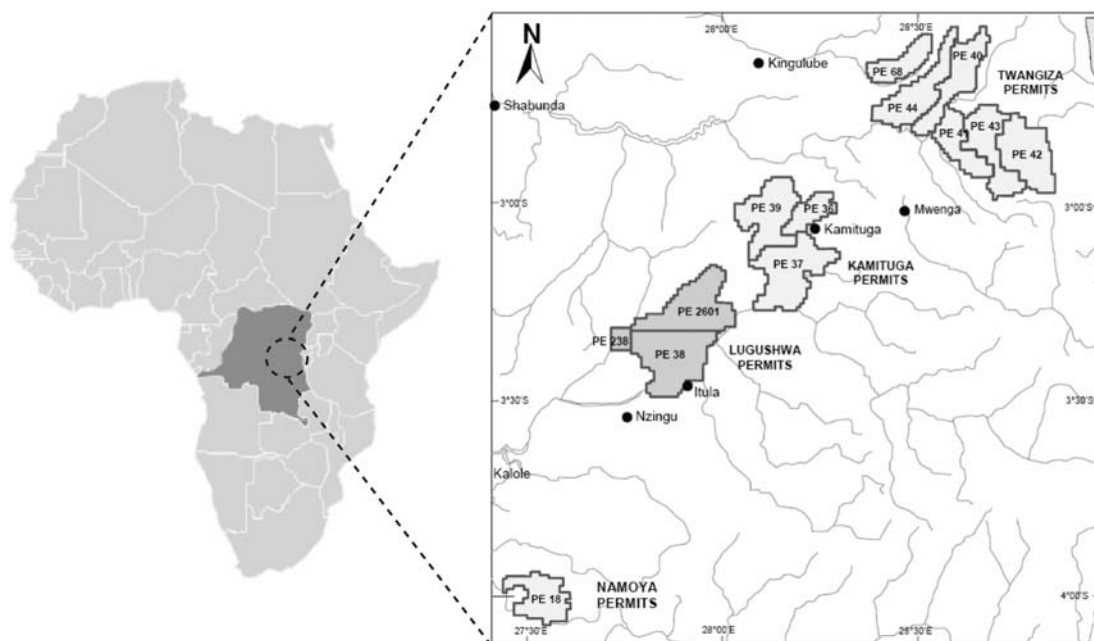


BUSINESS OF THE COMPANY

The Company's first gold mine, at Twangiza, commenced gold production during the fourth quarter of 2011 and commenced commercial production on September 1, 2012. The Company's planned second gold mine, at Namoya, commenced construction in 2012, with first gold production scheduled for the fourth quarter of 2013.

The Company holds a 100% interest in its said four gold properties (Twangiza, Namoya, Lugushwa and Kamituga) through four wholly-owned DRC subsidiaries. These properties, totalling approximately 2,612 square kilometres, are covered by a total of 13 exploitation permits (or mining licenses) and cover all the major, historical producing areas of the gold belt. The Company also holds 14 exploration permits covering an aggregate of 2,638 square kilometres. Ten of the exploration permits are located in the vicinity of the Company's Twangiza property and four are located in the vicinity of the Company's Namoya property.

The following illustrates the location of the Company's properties and exploitation permits.



CONCURRENT FINANCING

BlackRock has indicated its non-binding commitment to complete a brokered private placement of 1,200,000 Series B Preference Shares at U.S.\$25.00 per Series B Share concurrent with the completion of the Offering, subject to BlackRock being satisfied in its sole discretion with the terms of the Series A Shares and Series B Shares, the results of its due diligence and the satisfaction of certain other conditions. The terms of the BlackRock Transaction are expected to be finalized once the terms of the Offering have been finalized. Any distribution of Series B Shares to BlackRock pursuant to the BlackRock Transaction would not be qualified by this short form prospectus and would be subject to the approval of the TSX and the NYSE MKT.

The closing of the Offering is conditional upon the Company raising aggregate gross proceeds of not less than U.S.\$100 million (including the foreign currency equivalent thereof) from the Offering, alone or together with the BlackRock Transaction.

In February 2013, the Company announced it had arranged a financing package of up to U.S.\$90 million comprised of credit facilities and the issuance of preferred shares. The establishment of credit facilities for U.S.\$30 million were arranged with two commercial banks in the DRC, Rawbank and Ecobank, each for U.S.\$15 million, and at rates of 9% and 8.5% interest respectively. The Rawbank facility (including accrued interests) is repayable in six equal instalments, starting in October of 2013 while the Ecobank facility is repayable on a quarterly basis from March 31, 2014. The preferred share transaction with BlackRock announced in the Company's press release dated February 21, 2013 has been replaced with the Company's announcement on March 26, 2013 of a financing package of up to U.S.\$100 million comprising the BlackRock Transaction and the Offering.

CONSOLIDATED CAPITALIZATION

Since September 30, 2012 to the date of this short form prospectus, the Company has not issued any securities other than 12,500 stock options. Other than the establishment of credit facilities in February 2013, for U.S.\$30 million with two commercial banks in the DRC, Rawbank and Ecobank, each for U.S.\$15 million, at rates of 9% and 8.5% interest respectively, there have been no material changes in the Company's share or loan capital, on a consolidated basis, since September 30, 2012. The following table sets forth the consolidated capitalization of the Company as at the dates indicated before and after completion of the Offering and the BlackRock Transaction, assuming 1,200,000 Series B Shares are issued under the BlackRock Transaction. This table should be read in conjunction with the consolidated financial statements of the Company (including the notes thereto) incorporated by reference into this short form prospectus.

	As at December 31, 2011	As at September 30, 2012 before giving effect to the Offering and the BlackRock Transaction	As at September 30, 2012 after giving effect to the Offering and the BlackRock Transaction ⁽¹⁾⁽²⁾⁽³⁾
Shareholders' equity			
Common Shares	U.S.\$440,737,976	U.S.\$453,391,810	U.S.\$●
(authorized: unlimited)	(197,075,576 shares)	(200,909,538 shares)	(● shares)
Preference Shares	U.S.\$nil	U.S.\$nil	U.S.\$●
(authorized: unlimited)	(nil shares)	(nil shares)	(● shares)
Contributed surplus	U.S.\$28,060,631	U.S.\$48,080,813	U.S.\$●
Deficit	U.S.\$(78,789,389)	U.S.\$(90,170,358)	U.S.\$(●)
Total capitalization	U.S.\$389,009,218	U.S.\$411,302,265	U.S.\$●

Notes:

- (1) Canadian dollar net proceeds of the Offering and the BlackRock Transaction are assumed to have been converted into United States dollars at the noon exchange rate on ●, 2013 as reported by the Bank of Canada, which was C\$1.00 equals U.S.\$●.
- (2) After deducting the Agent's Fee of C\$● but before deducting expenses of the Offering and the BlackRock Transaction, which are estimated at C\$●.
- (3) Assumes the Over-Allotment Option is not exercised.

EARNINGS COVERAGE RATIO

The Company's earnings coverage ratio for the 12 months ended September 30, 2012 and the 12 months ended December 31, 2011 was less than one-to-one.

The Company's dividend requirements on all of its preferred shares, after giving effect to the issue of the Series A Shares and the Series B Shares, and adjusted to a before-tax equivalent using an effective income tax rate of ●% would have amounted to U.S.\$● for the 12 months ended December 31, 2011. The Company's borrowing costs requirement for the 12 months then ended amounted to U.S.\$●. The Company's profit or loss attributable to owners of the Company before borrowing costs and income tax for the 12 months ended December 31, 2011 was U.S.\$●, which is ● times the Company's aggregate dividend and borrowing cost requirements for this period. Approximately U.S.\$● of additional earnings would have been required for the period to achieve an earnings coverage ratio of 1:1, after giving effect to the issue of the Series A Shares and the Series B Shares.

The Company's dividend requirements on all of its preferred shares, after giving effect to the issue of the Series A Shares and the Series B Shares, and adjusted to a before-tax equivalent using an effective income tax rate of ●% would have amounted to U.S.\$● for the 12 months ended September 30, 2012. The Company's borrowing costs requirement for the 12 months then ended amounted to U.S.\$●. The Company's profit or loss attributable to owners of the Company before borrowing costs and income tax for the 12 months ended September 30, 2012 was U.S.\$●, which is ● times the Company's aggregate dividend and borrowing cost requirements for this period. Approximately U.S.\$● of additional earnings would have been required for the period to achieve an earnings coverage ratio of 1:1, after giving effect to the issue of the Series A Shares and the Series B Shares.

USE OF PROCEEDS

The estimated net proceeds received by Banro from the Offering (assuming no exercise of the Over-Allotment Option) will be U.S.\$● (determined after deducting the Agent's Fee and estimated expenses of the Offering). If the Over-Allotment Option is exercised in full, the estimated net proceeds received by Banro from the Offering will be U.S.\$● (determined after deducting the Agent's Fee and estimated expenses of the Offering). The estimated net proceeds to be received by Banro from the BlackRock Transaction will be U.S.\$● (determined after deducting estimated expenses of the BlackRock Transaction).

Banro intends to use the net proceeds of the Offering and the BlackRock Transaction as follows:

	Total Use of Proceeds (U.S.\$ millions)
Development costs of Namoya Project	76.0
Administrative and general expenses and working capital of the Company	24.0
Total	100.00

Any net proceeds from exercise of the Over-Allotment Option will be used for administrative and general expenses and working capital of the Company.

Although Banro intends to use the proceeds from the Offering and the BlackRock Transaction as set out in the above table, the actual allocation of the net proceeds may vary from that set out above, depending on future developments in Banro's mineral properties or unforeseen events.

The principal business objective that the Company expects to accomplish using the net proceeds from the Offering and the BlackRock Transaction is to complete construction of the mine at the Company's Namoya Project.

DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preference shares issuable in series, of which 201,882,038 common shares and no preference shares were issued and outstanding as of the date of this short form prospectus. The following is a summary of the material provisions attaching to the common shares and preference shares.

Common Shares

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common shares held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the preference shares or any other shares ranking senior to the common shares, the holders of common shares are entitled to (a) receive any dividends as and when declared by the board of directors, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding-up of the Company. Payment of dividends and all other amounts in respect of the common shares of the Company shall be net of any amounts required to be withheld or deducted on account of tax.

Preference Shares

The board of directors of the Company may issue preference shares at any time and from time to time in one or more series, each series of which shall have the designations, rights, privileges, restrictions and conditions fixed by the directors. The preference shares of each series shall rank on a parity with the preference shares of every other series, and shall be entitled to priority over the common shares and any other shares of the Company ranking junior to the preference shares, with respect to priority in the payment of dividends and the return of capital and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. Provisions relating to the Series A Shares comprising this Offering are summarized under "Description of the Securities Being Distributed – Description of Series A Shares" below.

The Series B Shares will have substantially the same dividend, liquidation, redemption and voting rights as the Series A Shares, save and except that any dividends or redemption amounts declared and paid to the holder of Series B Shares by a subsidiary of the Company (the "**Relevant Subsidiary**") on shares issued by such Relevant Subsidiary to a holder of Series B Shares will reduce the dividend or redemption amount payable to the holders of the Series B Shares; provided that they will be exchangeable on a one-for-one basis into Series A Shares at the option of the holder. The Series B Shares will rank *pari passu* with the Series A Shares with respect to all preferences over the common shares of the Company.

PRIOR SALES

Set forth below is information with respect to the securities of the Company issued during the 12-month period prior to the date of this short form prospectus. Reference is made to the financial statements of the Company incorporated by reference into this short form prospectus for information in respect of securities granted by the Company during 2011 and 2012 up to September 30, 2012. Set forth below is information with respect to the stock options of the Company granted by the Company since September 30, 2012 up to the date of this short form prospectus. Such stock options were granted pursuant to the terms of the Company's stock option plan.

Stock Options

Date of Grant	Number of stock options granted	Exercise price per common share
September 24, 2012	12,500	C\$2.05

TRADING PRICE AND VOLUME

Common Shares

The Company's common shares are listed for trading on the TSX and the NYSE MKT, in each case under trading symbol "BAA". The following tables set forth information relating to the trading of the common shares on the TSX and the NYSE MKT for the periods indicated.

Toronto Stock Exchange

Period	High (C\$)	Low (C\$)	Volume
March 2013 (to March 25, 2013)	2.34	1.73	23,781,514
February 2013	2.87	2.26	16,077,231
January 2013	3.09	2.26	19,188,851
December 2012	3.38	2.53	14,197,911
November 2012	4.79	2.86	16,780,000
October 2012	4.91	4.02	16,726,242
September 2012	5.03	4.13	16,899,932
August 2012	4.63	3.72	6,163,580
July 2012	4.24	3.28	8,303,753
June 2012	4.76	3.56	12,067,791
May 2012	4.84	3.42	15,613,523
April 2012	4.68	3.76	14,533,523
March 2012	5.49	4.36	27,757,183

NYSE MKT LLC

Period	High (U.S.\$)	Low (U.S.\$)	Volume
March 2013 (to March 25, 2013)	2.26	1.69	9,051,700
February 2013	2.87	2.22	4,918,900
January 2013	3.15	2.26	5,378,300
December 2012	3.40	2.58	6,597,400
November 2012	4.81	2.87	5,208,400
October 2012	5.04	4.36	3,613,700
September 2012	5.15	4.22	5,924,900
August 2012	4.68	3.68	3,485,400
July 2012	4.15	3.21	5,265,300
June 2012	4.64	3.43	5,273,100
May 2012	4.73	3.37	5,668,100
April 2012	4.72	3.80	4,941,600
March 2012	5.54	4.35	6,703,100

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Offering consists of ● Common Shares (assuming no exercise of the Over-Allotment Option) and ● Series A Shares.

Description of Common Shares

Details regarding the Common Shares can be found above under "Description of Share Capital – Common Shares".

Description of Series A Shares

In addition to the rights, privileges, restrictions and conditions attaching to the preference shares as a class, the Series A Shares shall have the rights, privileges, restrictions and conditions described below.

Certain Definitions

As used in this “Description of Series A Shares,” the following terms have the following meanings:

“**Asset Seizure Event**” means that properties and assets of the Company and its subsidiaries from which a majority of the Company and its subsidiaries’ comprehensive income (determined on a consolidated basis in accordance with IFRS) is derived are seized, confiscated or nationalized by, or become subject to forfeiture to, any governmental, quasigovernmental, military or other similar authority, or any similar action shall have been taken or shall have occurred (an “**Asset Seizure**”) and (ii) the Company, its subsidiaries or any of their affiliates, successors or assigns receives any compensation as a result of such Asset Seizure by way of settlement, judicial or arbitral award or otherwise.

“**Business Day**” means any day except Saturday, Sunday or a statutory holiday in Toronto, Ontario, Canada.

“**Change of Control**” means:

- (1) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder (the “**Exchange Act**”) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have “beneficial ownership” of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company (or its successor by merger, consolidation, amalgamation, arrangement or purchase of all or substantially all of its assets); or
- (2) the merger, consolidation, amalgamation or arrangement of the Company with or into another person or the merger, consolidation, amalgamation or arrangement of another person with or into the Company or the merger, consolidation, amalgamation or arrangement of any person with or into a Subsidiary of the Company, unless the holders of a majority of the aggregate voting power of the Voting Stock of the Company, immediately prior to such transaction, hold securities of the surviving or transferee person that represent, immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving or transferee person; or
- (3) the first day on which a majority of the members of the board of directors of the Company are not Continuing Directors; or
- (4) the sale, assignment, conveyance, transfer, lease or other disposition (other than by way of merger, consolidation, amalgamation or arrangement), in one or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries taken as a whole to any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act); or
- (5) the adoption by the shareholders of the Company of a plan or proposal for the liquidation or dissolution of the Company.

“**Continuing Directors**” means, as of any date of determination, any member of the board of directors of the Company who: (1) was a member of such board of directors on March 2, 2012 or (2) was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board at the time of such nomination or election.

“**Dividend Liquidation Preference**” of a Series A Share on any Dividend Accrual Date (as defined below under “ – Dividends – General”) means an amount equal to the sum of (i) (x) the simple average of the Reference Gold Price for each Trading Day during the three-month period ending on the immediately preceding Dividend Accrual Date multiplied by (y) 0.015625 plus (ii) the amount of all dividends accrued and unpaid on such Series A Share up to and including the Dividend Accrual Date.

“**Existing Permit**” means each of the thirteen exploitation permits relating to the Twangiza, Namoya, Lugushwa and Kamituga properties, and each of the fourteen exploration permits, in each case as described in the Company’s annual information form for the financial year ended December 31, 2011, as long as the applicable permit continues to be held by the Company or a subsidiary thereof and/or the Company or a subsidiary thereof continues to retain an interest in such permit and as each such permit may be amended or otherwise modified or replaced from time to time.

“**Indenture**” means the indenture dated March 2, 2012 between the Company, the Guarantors (as defined in such indenture) and Equity Financial Trust Company, as trustee.

“**Liquidation Preference**” of a Series A Share, as of any date, shall be an amount equal to the sum of (i) the Reference Gold Price on the second Trading Day preceding such date multiplied by 0.015625, plus (ii) the amount of all dividends accrued and unpaid on such Series A Share up to and including such date.

“**Monthly Production Level**” means for any Dividend Accrual Date, the number obtained (rounded to the nearest whole number) by dividing the total number of ounces of gold produced pursuant to the Existing Permits during the three-month period ending on the immediately preceding Dividend Accrual Date by three.

“**Notes**” means the notes issued under the Indenture.

“**Production Schedule Yield**” for any Dividend Accrual Date is the percentage rate appearing under the heading “Annual Dividend Yield” in the table below corresponding to the Monthly Production Level for such Dividend Accrual Date.

Monthly Production Level (oz.)	Annual Dividend Yield
< 8,001	10.0%
8,001 - 9,000	10.5%
9,001 - 10,000	11.0%
10,001 - 11,000	11.5%
11,001 - 12,000	12.0%
12,001 - 13,000	12.5%
13,001 - 14,000	13.0%
14,001 - 15,000	13.5%
15,001 - 16,000	14.0%
16,001 - 17,000	14.5%
> 17,000	15.0%

“**Reference Gold Price**” on any date means the “London Gold Fix” price per troy ounce of gold expressed in U.S. dollars on such date, as the same is fixed at approximately 3:00 p.m. London time on such date by five market-making members of the London Bullion Market Association in accordance with customary market practice, and shall include any determination made by any successor entity. The “London Gold Fix” price may be obtained at <http://www.kitco.com/>.

“**Trading Day**” means any day on which the Reference Gold Price is fixed.

“**Voting Stock**” of the Company means all classes of capital stock of the Company then outstanding and normally entitled to vote in the election of directors of the Company.

The fraction of 0.015625 in the definitions of Dividend Liquidation Preference and Liquidation Preference will be adjusted upwards if the price of gold drops to less than U.S.\$1584 per ounce at the time of the closing of the Offering.

Dividends

General

The holders of the Series A Shares, in priority to the Common Shares and to shares of any other class ranking junior to the Series A Shares, shall be entitled to receive, and the Company shall pay thereon, in each case as and when declared by the board of directors of the Company out of the moneys of the Company properly applicable to the payment of dividends,

quarterly preferential cumulative cash dividends, which will accrue and be paid on the last day of each of March, June, September and December in each year (each a “**Dividend Payment Date**”).

Not less than 15 days prior to any payment date, the Company shall make publicly available, by press release or other similar means, such information as is necessary to calculate the amount of the dividend per Series A Share that is to be paid, if as and when declared, on the next Dividend Payment Date.

Payments of dividends and all other amounts in respect of Series A Shares shall be net of any amounts required to be withheld or deducted on account of tax.

Calculation

The amount of dividends that will accrue on the Series A Shares on any Dividend Accrual Date, other than June 30, 2013, shall be an amount per share equal to the product obtained by multiplying (i) the Dividend Liquidation Preference on such Dividend Accrual Date by (ii) the quotient obtained by dividing (A) the Production Schedule Yield on such Dividend Accrual Date by (B) four. The first quarterly dividend will accrue on June 30, 2013 and will be calculated by multiplying the amount otherwise determined in accordance with the immediately preceding sentence for the June 30, 2013 Dividend Accrual Date by a fraction, the numerator of which is ● (which represents the number of days the Series A Shares have been outstanding from and including April ●, 2013 to and including June 30, 2013) and the denominator of which is 90.

Additional Preferential Dividends

Unless the Company has declared and paid to a holder of the Series A Shares, in respect of its Series A Shares, (i) on or before the relevant Dividend Payment Date and (ii) such Dividend Payment Date, a dividend per Series A Share in the amount set out in the applicable notice referred to above under “ – Dividends – General”, then the dividends on the Series A Shares shall continue to accrue and to cumulate quarterly as part of the Dividend Liquidation Preference, and an additional Series A Share cash dividend, in amount equal to one percent of the amount of such unpaid dividend per Series A Share, shall accrue thereon at the close of business on the applicable Relevant Date. For greater certainty, if at any time a dividend is scheduled to accrue on a future Dividend Accrual Date in accordance with the terms of “ – Dividends – Calculation” above, nothing in this section “ – Dividends” shall be deemed to prevent the Company from electing to pay such dividend on a date that is prior to such future Dividend Accrual Date.

Dissolution

Subject to the articles of the Company, in the event of the liquidation, dissolution or winding up of the Company or other distribution of the property or assets of the Company among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary (any of the foregoing, a “**Dissolution Event**”), the holders of the Series A Shares shall be entitled to receive the Liquidation Preference of the Series A Shares out of the property and assets of the Company, before any amount shall be paid or any property or assets of the Company are distributed to the holders of the Common Shares or the holders of shares of any other class ranking junior to the Series A Shares. If, in the event of a Dissolution Event, the property and assets of the Company are not sufficient to provide for payment in full to all the holders of the Series A Shares of the amount provided above, then the remaining property and assets of the Company shall be allocated to the holders of the Series A Shares on a *pro rata* basis.

Priority

With respect to the payment of dividends and the distribution of assets of the Company in the event of the liquidation, dissolution or winding up of the Company, the Series A Shares shall rank on parity with the Series B Shares and in priority to the Common Shares.

Voting Rights

The holders of the Series A Shares shall not be entitled as such (except as hereinafter specifically provided and except as otherwise provided by the CBCA) to receive notice of or to attend any meeting of the shareholders of the Company and, except as hereinafter specifically provided and except as otherwise provided by the CBCA, shall not be entitled to vote at any such meeting provided that each holder of a Series A Share will be entitled to vote on matters which holders of such series are entitled to vote (to the extent so entitled by the Company’s articles of incorporation) and shall have one vote for each Series A Share held.

In the event that two quarterly dividend payments (whether or not consecutive) on the Series A Shares shall have accrued and be unpaid, the holders of the Series A Shares will be entitled to notice of, and to attend, at each annual and special meeting of shareholders or action by written consent at which directors will be elected and will be entitled to a separate class vote, together with the holders of shares of other series of shares of the Company (including the Series B Shares) ranking on a parity with such Series A Shares either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable (such other series of shares being herein referred to as “**Other Voting Stock**”) to elect two members to the board of directors of the Company (each a “**Preferred Holder Director**”) until dividends on such Series A Shares have been paid in full or declared and set apart in trust for payment (whereupon such right shall cease unless and until another quarterly dividend payment on the Series A Shares shall have accrued and been unpaid). In any such case, the board of directors of the Company will be increased by two directors, and the holders of the Series A Shares (either alone or with the holders of Other Voting Stock) will have the exclusive right as members of such class, as outlined above, to elect two directors at the next annual meeting of shareholders or at any special meeting or action by written consent at which directors of the Company will be elected.

Notwithstanding, the foregoing, so long as any Series A Shares remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series A Shares (voting separately as a class), given in person or by proxy, either in writing or at a meeting, amend, alter or repeal, whether by merger, amalgamation, arrangement, amendment to the Company’s articles of incorporation, consolidation or otherwise, the provisions of the Company’s articles of incorporation so as to materially and adversely affect any right, preference, privilege or voting power of the Series A Shares or the holders thereof or create, authorize or issue any series or class of shares ranking equal with or senior to the Series A Shares (other than the Series B Shares) with respect to dividends or distribution of assets upon liquidation, dissolution or winding up; provided, however, that any increase in the total number of authorized Common Shares or preference shares (other than the Series A Shares) of the Company or the creation, authorization or issuance of any series of shares of the Company ranking, as to dividends and distribution of assets upon liquidation, dissolution or winding up of the affairs of the Company, junior to the Series A Shares will not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

Repurchase by the Company

Subject to the Company’s articles of incorporation and the requirements of the CBCA, the Company may at any time or from time to time purchase the Series A Shares for cancellation at the lowest price or prices at which, in the opinion of the board of directors of the Company, such shares are obtainable.

Redemption of Series A Shares

At the election of the Company, in lieu of redemption the Series A Shares as described in “– Redemption at the Option of the Company” or “– Redemption at the Option of the Holder” Series A Shares that are subject to redemption will be delivered by the redeeming holder to a recirculation agent to be appointed by the Company who will sell the Series A Shares on the holder’s behalf, for consideration equal to what would have been payable on a redemption. In the event no such sale closes on or before the redemption date (as defined below), the Series A Shares will be redeemed in accordance with the relevant redemption provisions.

Redemption at the Option of the Company

The Series A Shares are not redeemable by the Company pursuant to this section “– Redemption at the Option of the Company” until the later of (i) the first date on which the Company and its subsidiaries have achieved total cumulative gold production pursuant to the Existing Permits of 800,000 ounces from and including April ●, 2013 and (ii) April ●, 2018, such later date being the “**Earliest Optional Redemption Date**”.

Subject to the provisions of the CBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions), commencing on the Earliest Optional Redemption Date, the Company may at its option, upon giving notice in the manner set out in the immediately succeeding paragraph redeem the whole or any part of the then outstanding Series A Shares on payment for each share to be redeemed of a sum equal to (i) the Liquidation Preference thereof as of the date fixed for redemption, plus (ii) the product obtained by multiplying the dividend accrued per Series A Share for the immediately preceding quarterly period by a fraction the numerator of which is the number of days from and including the first day of such quarterly period to and including the redemption date and the denominator of which is the number of days in such quarterly period, plus (iii) an amount equal to 2% of the Liquidation Preference at the time of redemption.

In the event that only part of the Series A Shares is at any time to be redeemed pursuant to this section “– Redemption at the Option of the Company”, the Series A Shares to be redeemed shall be selected *pro rata* (disregarding fractions) according to the number of Series A Shares held by each holder of record thereof as at the date of the notice of redemption or in such other manner as the board of directors of the Company in its sole discretion may deem equitable

In the case of a redemption of Series A Shares under the provisions of this section “– Redemption at the Option of the Company”, the Company shall at least 30 days (but not more than 60 days) before the applicable redemption mail to each person who at the date of mailing is a registered holder of Series A Shares to be redeemed a notice in writing of the intention of the Company to redeem such Series A Shares. Such notice shall set out the redemption price and the date on which redemption is to take place and, if only part of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date so specified for redemption, the Company shall pay or cause to be paid to or to the order of the registered holders of the Series A Shares to be redeemed the redemption price thereof on presentation and surrender of the certificates representing the Series A Shares called for redemption at the registered office of the Company, or any other place or places designated in the notice of redemption. If only a part of the shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Company. Subject to certain exceptions, on and after the date specified for redemption in any such notice, the Series A Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

Redemption at the Option of the Holder

Commencing on the first day after April ●, 2018, for so long as the Company and its subsidiaries have achieved total cumulative gold production pursuant to the Existing Permits that is less than 800,000 ounces from April ●, 2013, each holder of Series A Shares will have the option at any time to require the Company to redeem the Series A Shares registered in the name of such holder on the books of the Company by tendering to the Company at its registered office a share certificate or certificates representing all or a part of the Series A Shares which the holder desires to have the Company redeem together with a request in writing specifying (in this section “– Redemption at the Option of the Holder” referred to as a “**redemption demand**”):

- (a) that the holder desires to have the Series A Shares represented by such certificate(s) redeemed by the Company; and
- (b) the business day (in this section “– Redemption at the Option of the Holder” referred to as the “**redemption date**”) on which the holder desires to have the Company redeem such Series A Shares. The redemption demand shall specify a redemption date which shall not be less than thirty (30) days after the date on which the redemption demand is tendered to the Company or such other date as the holder and the Company may agree.

The Company shall, on such redemption date, redeem all Series A Shares required to be redeemed by paying to such holder out of funds legally available for such purpose, for each share to be redeemed, the sum of (i) the Liquidation Preference thereof as of the date fixed for redemption plus (ii) an amount per Series A Share required to be redeemed equal to the product obtained by multiplying the dividend accrued per Series A Share for the immediately preceding quarterly period by a fraction the numerator of which is the number of days from and including the first day of such quarterly period to and including the redemption date and the denominator of which is the number of days in such quarterly period. On the redemption date specified in the redemption demand, the Company shall pay or cause to be paid to or to the order of the registered holders of the Series A Shares to be redeemed the redemption price thereof by wire transfer to an account designated by such holder. If only a part of the Series A Shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Company. On and after the redemption date specified in the applicable redemption demand, the Series A Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

Mandatory Redemption on an Asset Seizure Event

If the Company has redeemed the Notes pursuant to section 3.08 of the Indenture, or if (at any time when the Notes are no longer outstanding) an Asset Seizure Event occurs, then in each case, each holder of Series A will have the option on the occurrence of the foregoing or at any time thereafter to require the Company to redeem out of funds legally available for

such purpose all or a part of the Series A Shares registered in the name of such holder on the books of the Company by tendering to the Company at its registered office a share certificate or certificates representing all or a part of the Series A Shares which such holder desires to have the Company redeem together with a request in writing specifying (in this section “– Mandatory Redemption on an Asset Seizure Event” referred to as a “**redemption demand**”):

- (a) that such holder desires to have the Series A Shares represented by such certificate(s) redeemed by the Company;
- (b) the Business Day (in this section “– Mandatory Redemption on an Asset Seizure Event” referred to as the “**redemption date**”) on which such holder desires to have the Company redeem such Series A Shares (provided that such redemption demand shall specify a redemption date which shall not be earlier than the later of 30 days after the date on which the redemption demand is tendered to the Company and April ●, 2018); and
- (c) in the event that the relevant redemption of the Notes occurs on or prior to April ●, 2018 and such holder designates a redemption date on April ●, 2018 or thereafter, whether the holder requires the Company, immediately after the relevant redemption of the Notes or the relevant Asset Seizure Event, as the case may be, to deposit cash with an escrow agent in an amount sufficient to fund the redemption of the Series A Shares (in an amount equal to the aggregate amount of the Liquidation Preference of the Series A Shares represented by such certificate(s) as of such date).

The amount of funds deposited with the escrow agent pursuant to clause (c) above shall be subject to subsequent increase or decrease from time to time based upon subsequent fluctuations in the Liquidation Preference of the Series A Shares in a manner determined by the Company acting reasonably. All expenses associated with the escrow arrangement, including the fees of any escrow agent, will be borne by the Company.

The Company shall, on the relevant redemption date, redeem all Series A Shares required to be redeemed by paying to such holder, out of funds legally available for such purpose for each Series A Share to be redeemed a sum equal to (i) the Liquidation Preference thereof as of the date fixed for redemption plus (ii) an amount per Series A Share required to be redeemed equal to the product obtained by multiplying the dividend accrued per Series A Share for the immediately preceding quarterly period by a fraction the numerator of which is the number of days from and including the first day of such quarterly period to and including the redemption date and the denominator of which is the number of days in such quarterly period. On the redemption date specified in the redemption demand, the Company shall pay or cause to be paid to or to the order of the registered holders of the Series A Shares to be redeemed the redemption price thereof by wire transfer to an account designated by such holder. If only a part of the Series A Shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Company. On and after the redemption date specified in the applicable redemption demand, the Series A Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

Mandatory Redemption on a Change of Control

In the event of Change of Control, the Series A Shares shall continue to remain outstanding, and the Company shall procure that the person, entity or group which acquires control of the Company pursuant to the Change of Control complies with the terms of the Series A Shares as set out in these rights, privileges, restrictions and conditions and other relevant documentation, as the case may be, or in the case of a Change of Control involving a sale of all or substantially all of the assets of the Company, enters into arrangements with the person, entity or group acquiring control of the Company on terms that are reasonably satisfactory to the holders (other than the Company and its affiliates) of a majority of the Series A Shares, pursuant to which such person, entity or group will issue to the holders of the Series A Shares, in exchange for their Series A Shares, preferred shares having terms substantially identical to those of the Series A Shares.

In the event of Change of Control of the Company, a holder of Series A Shares will have the option, exercisable within 30 days of the Change of Control, to require the Company, subject to compliance with the Indenture, to redeem all or a part of the Series A Shares registered in the name of such holder on the books of the Company out of funds legally available for such purpose by tendering to the Company at its registered office a share certificate or certificates representing all or a part of the Series A Shares which the holder desires to have the Company redeem together with a request in writing specifying (in this section “– Mandatory Redemption on a Change of Control” referred to as a “**redemption demand**”):

- (a) that the holder desires to have the Series A Shares represented by such certificate(s) redeemed by the Company; and
- (b) the Business Day (in this section “– Mandatory Redemption on a Change of Control” referred to as the “**redemption date**”) on which the holder desires to have the Company redeem such Series A Shares. The redemption demand shall specify a redemption date which shall not be earlier than the later of 30 days after the date on which the redemption demand is tendered to the Company and April 1, 2018;

The Company shall, on such redemption date, redeem all Series A Shares required to be redeemed by paying to each holder thereof out of funds legally available for such purpose, for each Series A Share to be redeemed, a sum equal to (i) the Liquidation Preference thereof as of the date fixed for redemption plus (ii) an amount per Series A Share required to be redeemed equal to the product obtained by multiplying the dividend accrued per Series A Share for the immediately preceding quarterly period by a fraction the numerator of which is the number of days from and including the first day of such quarterly period to and including the redemption date and the denominator of which is the number of days in such quarterly period, plus (iii) an amount equal to 2% of the Liquidation Preference at the time of the redemption. On the redemption date specified in the redemption demand, the Company shall pay or cause to be paid to or to the order of the registered holders of the Series A Shares to be redeemed the redemption price thereof by wire transfer to an account designated by such holder. If only a part of the Series A Shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Company. On and after the redemption date specified in the applicable redemption demand, the Series A Shares called for redemption shall cease to be entitled to dividends, and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement dated 1, 2013 between the Agent and the Company, the Agent conditionally offers 1 Common Shares and 1 Series A Shares for sale on a “best efforts” basis, if as and when sold by the Company and accepted by the Agent, subject to compliance with all necessary legal requirements and the terms and conditions of the Agency Agreement. The Common Shares and Series A Shares offered hereby may be offered separately or together, in an aggregate initial offering amount of U.S.\$70,000,000.

The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the financial markets and may also be terminated upon the occurrence of certain stated events. While the Agent has agreed to use its best efforts to sell the Offered Shares offered under this short form prospectus, the Agent will not be obligated to purchase any Offered Shares which are not sold.

In consideration of the Agent’s services in connection with the Offering, the Agency Agreement will provide that the Company will pay the Agent a fee equal to 5.0% of the aggregate gross proceeds from the sale of Common Shares pursuant to the Offering (including any Over-Allotment Shares issued upon exercise of the Over-Allotment Option) and 3.0% of the aggregate gross proceeds from the sale of Series A Shares pursuant to the Offering.

The Company will grant the Over-Allotment Option to the Agent, exercisable, in whole or in part, within 30 days from the Closing Date, to purchase, up to the number of Over-Allotment Shares that is equal to 7.5% of the aggregate number of Common Shares sold pursuant to the Offering at a price of C\$1 per Over-Allotment Share. If the Over-Allotment Option is exercised in full, the aggregate total price to the public, Agent’s Fee and total net proceeds to the Company (before payment and expenses of the Offering) will be U.S.\$1, U.S.\$1 and U.S.\$1, respectively. This short form prospectus qualifies the grant of the Over-Allotment Option and the issuance of the Over-Allotment Shares issuable upon any exercise of the Over-Allotment Option.

The Common Share Price and the Series A Share Price and terms of the Offering were established through negotiations between the Company and the Agent with consideration given to the trading prices of the common shares of the Company on the TSX and the NYSE MKT.

The Company will apply to list: (i) the Common Shares to be issued upon closing of the Offering; and (ii) the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option on the TSX and the NYSE MKT. The Company will apply to list the Series A Shares distributed under this short form prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX and the NYSE MKT, as applicable.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Offering is being made concurrently in all of the provinces of Canada other than the Province of Québec. The Offered Shares will be offered in Canada through the Agent. Subject to applicable law, the Agent may offer the Offered Shares outside of Canada.

The Company has agreed, without the prior written consent of the Agent, such consent not to be unreasonably withheld, not to, directly or indirectly, issue, offer to sell, or otherwise dispose of any common shares of the Company or securities or other financial instruments convertible into or having the right to acquire common shares of the Company (other than pursuant to rights or obligations under securities or instruments outstanding as of the date hereof or pursuant to the Company's existing stock option plan or pursuant to any corporate transaction) or enter into any agreement or arrangement under which the Company acquires or transfers to another, in whole or in part, any of the economic consequences of ownership of common shares of the Company, whether that agreement or arrangement may be settled by the delivery of common shares of the Company or other securities or cash, or agree to become bound to do so, or disclose to the public any intention to do so, for a period from today until 120 days following the Closing Date.

The Agency Agreement will also provide that the Company will indemnify the Agent and its affiliates and its directors, officers, agents and employees against certain liabilities and expenses, or contribute to payments the Agent may be required to make in respect of those liabilities.

Pursuant to the policies and rules of certain Canadian securities regulatory authorities, the Agent may not, throughout the period of distribution under this short form prospectus, bid for or purchase common shares of the Company for its own account or for accounts over which it exercises control or direction. The foregoing restriction is subject to certain exceptions, including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of such securities. In connection with this Offering and subject to the foregoing, the Agent may over-allot or effect transactions intended to stabilize or maintain the market price of the common shares of the Company at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

In connection with the Offering, the Agent may engage in stabilizing transactions, which involves making bids for, purchasing and selling Common Shares in the open market for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These stabilizing transactions may include making short sales of the Common Shares, which involves the sale by the Agent of a greater number of Common Shares than they are required to sell in the Offering, and purchasing Common Shares on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked" shorts, which are short positions in excess of that amount. The Agent may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Agent will consider, among other things, the price of Common Shares available for purchase in the open market compared to the price at which the Agent may purchase Common Shares through the exercise of the Over-Allotment Option. A naked short position is more likely to be created if the Agent is concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in this Offering. To the extent that the Agent creates a naked short position, they will purchase Common Shares in the open market to cover the position.

From time to time, the Agent or its affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in the Company's debt or equity securities or loans, and may do so in the future.

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agent has agreed that it (and the U.S. broker-dealer affiliate of the Agent which conducts offers in the United States) will not offer or sell the Offered Shares within the United States except in accordance with exemptions from the registration requirements under the U.S. Securities Act and applicable state securities laws. The Agency Agreement will provide that the Agent, through its U.S. broker-dealer affiliate, may offer the Offered Shares in the United States, for sale directly by the Company to certain "accredited investors", that

satisfy one or more of the requirements of Rule 501(a) of Regulation D under the U.S. Securities Act, provided such offers and sales are made in accordance with Rule 506 of Regulation D under the U.S. Securities Act and applicable state securities laws. Moreover, the Agency Agreement will provide that the Agent will offer and sell the Common Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of this Offering, an offer or sale of the Offered Shares in the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Norton Rose Canada LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Agent, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who beneficially acquires Offered Shares pursuant to this Offering. This summary is applicable only to a purchaser who, at all relevant times, deals at arm's length and is not affiliated with the Company, and who will acquire and hold such Offered Shares as capital property (each, a "**Holder**"), all within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**"). Offered Shares will generally be considered to be capital property to a Holder unless the Holder holds such Offered Shares in the course of carrying on a business or has acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a holder (i) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a "tax shelter investment" as defined in the Tax Act; (iii) that is a "specified financial institution" as defined in the Tax Act; (iv) that has an "elected functional currency" for the purposes of the Tax Act of a country other than Canada; or (v) that has entered into, with respect to the Offered Shares, a "derivative forward agreement" as that term is defined in proposed amendments contained in a Notice of Ways and Means Motion that accompanied the federal budget tabled by the Minister of Finance (Canada) on March 21, 2013.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and the regulations thereunder (the "**Tax Proposals**") which have been announced by or on behalf the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that such Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Offered Shares. The following description of income tax matters is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.

For purposes of the Tax Act, each amount relating to the acquisition, holding or disposition of the Offered Shares must be expressed in Canadian dollars. Generally, an amount denominated in a currency other than Canadian dollars must be converted into Canadian dollars using the applicable Bank of Canada noon day rate for the date that the amount arises, or such other rate as is acceptable to the Minister of National Revenue.

Residents of Canada

This portion of the summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, is resident or deemed to be resident in Canada at all relevant times (each, a "**Resident Holder**"). Certain Resident Holders whose Offered Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Offered Shares and every other "Canadian security" (as defined by the Tax Act) owned by such Resident Holders in the taxation year of the election and in all subsequent taxation years deemed to be capital property.

Additional considerations, not discussed in this summary, may be applicable to a Resident Holder that: (a) is a corporation resident in Canada, and (b) is, or becomes as part of a transaction or event or series of transactions or events that

includes the acquisition of Offered Shares, controlled by a non-resident corporation for the purposes of the recently enacted foreign affiliate dumping rules in section 212.3 of the Tax Act. Such Resident Holders should consult with their tax advisors with respect to the consequences of acquiring Offered Shares.

Disposition of an Offered Share

A Resident Holder who disposes of or is deemed to have disposed of an Offered Share will realize a capital gain (or incur a capital loss) equal to the amount by which the proceeds of disposition of the Offered Share exceed (or are exceeded by) the aggregate of the adjusted cost base of such Offered Share and any reasonable expenses associated with the disposition. The adjusted cost base to a Resident Holder of a Common Share acquired hereunder, immediately after such acquisition, will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other Common Shares, held as capital property at that time by the Resident Holder. In the case of a redemption or other acquisition by the Company of an Offered Share, reference should be made to the comments below under the heading “Redemption or Other Disposition to the Company” for a further discussion of the determination of the proceeds of disposition that would arise in such a case.

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized must be included in the Resident Holder’s income and one-half of any capital loss (an “**allowable capital loss**”) realized must be used to offset taxable capital gains realized by the Resident Holder in the year. An allowable capital loss for a taxation year in excess of taxable capital gains realized in such year may be carried back and deducted in any of the three prior years or carried forward and deducted in any subsequent year against taxable capital gains in the circumstances and to the extent provided in the Tax Act. A capital loss incurred on the disposition of an Offered Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends which have been received or deemed to have been received by the Resident Holder on such share (including, in the case of a redemption of a Series A Share, any dividend that is deemed to have been received on the redemption, as discussed below under the heading “Redemption or Other Disposition to the Company”). Similar rules may apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust that owns Offered Shares. Capital gains realized by an individual and certain trusts may give rise to a liability for alternative minimum tax under the Tax Act.

A Resident Holder that is a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains.

Redemption or Other Disposition to the Company

If the Company redeems a Series A Shares or otherwise acquires an Offered Share (whether a Common Share or a Series A Share), other than by a purchase in the open market in the manner in which shares are normally purchased by any member of the public in the open market, the Resident Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Company in excess of the paid-up capital (as determined for purposes of the Tax Act) of such Offered Share at such time. Generally, the difference between the amount paid by the Company and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such Offered Share. In the case of a redemption of a Series A Share as the amount payable is a gold-linked amount, it is not known at this time whether a deemed dividend will arise. In the case of a Resident Holder that is a corporation, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not as a dividend.

Dividends Received by Resident Holders

Dividends received or deemed to be received on Offered Shares by a Resident Holder who is an individual (and certain trusts) will be included in the Resident Holder’s income and be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by an individual from taxable Canadian corporations, including an enhanced gross-up and dividend tax credit for “eligible dividends” received from and designated as such by the Company. It is currently intended by management of the Company that regular dividends on the Series A Shares will be designated as eligible dividends. Dividends received or deemed to be received by such a Resident Holder may give rise to alternative minimum tax under the Tax Act.

Dividends received or deemed to be received on Offered Shares by a Resident Holder that is a corporation will be included in the Resident Holder’s income and will normally be deductible in computing such Resident Holder’s taxable income. A Resident Holder that is a “private corporation” (as defined in the Tax Act) or any other corporation resident in

Canada and controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a refundable tax under Part IV of the Tax Act, generally imposed at a rate of 33 1/3%, on dividends received or deemed to be received on the Offered Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

The Series A Shares will be "taxable preferred shares" as defined in the Tax Act. A Resident Holder of Series A Shares which is a corporation other than a private corporation or a financial intermediary corporation will generally be subject to a 10% tax under Part IV.1 of the Tax Act in respect of any dividends received (or deemed to be received) by it on the Series A Shares. Where such a Resident Holder is also subject to tax under Part IV of the Tax Act in respect of the dividend, the amount of tax payable under Part IV is subject to a reduction in recognition of the tax payable by the Resident Holder under Part IV.1 of the Tax Act.

Non-Residents of Canada

The following portion of this summary is generally applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not and has not been resident nor deemed to be resident in Canada and does not use or hold, and will not be deemed to use or hold, Offered Shares in connection with a business carried on in Canada (each, a "**Non-Resident Holder**"). Special rules and considerations, which are not discussed in the summary, may apply to a Holder that is an insurer that carries on an insurance business in Canada and elsewhere and to a Holder that is an "authorized foreign bank" as defined in the Tax Act. Such Holders should consult their own advisers.

Dividends

Dividends paid or credited or deemed to be paid or credited on Offered Shares to a Non-Resident Holder will be subject to non-resident withholding tax under the Tax Act at a rate of 25%, although such rate may be reduced under the terms of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

In the case of a redemption of a Series A Share held by a Non-Resident Holder or other acquisition by the Company from a Non-Resident Holder of an Offered Share (whether a Common Share or a Series A Share), other than by a purchase in the open market in the manner in which shares are normally purchased by any member of the public in the open market, a deemed dividend may arise (as discussed above in connection with Resident Holders under the heading "Residents of Canada - Redemption or Other Disposition to the Company"). Where such a deemed dividend arises, it would be subject to non-resident withholding tax as discussed in the immediately preceding paragraph.

Disposition of an Offered Share

A Non-Resident Holder will generally not be subject to tax under the Tax Act upon any gain realized on a disposition of an Offered Share unless the Offered Share constitutes "taxable Canadian property" as defined in the Tax Act to the Non-Resident Holder at the time of the disposition and the Non-Resident Holder is not otherwise entitled to relief pursuant to the terms of an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. In general, a particular Offered Share will not be "taxable Canadian property" of a Non-Resident Holder at a particular time provided that, in the case where the Offered Share is listed at the time of disposition on a "designated stock exchange" (which currently includes the TSX), at no particular time during the 60-month period immediately preceding the disposition, (a) did the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length, or the Non-Resident Holder together with such persons, own 25% or more of the issued shares of the capital stock of any class or series in the capital of the Company, and (b) was more than 50% of the fair market value of Offered Share derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), or options in respect of, or interests in, or for civil law rights in, any such properties, whether or not such property exists.

Where a particular Offered Share is a "taxable Canadian property" of a Non-Resident Holder and is listed on a "designated stock exchange", the Canadian federal income tax consequences to the Non-Resident Holder of disposing of the Offered Share are generally the same as those described above under the heading "Residents of Canada", except that in certain cases any gain or loss arising on the disposition of the Offered Share may be exempt from tax under the Tax Act by virtue of an exemption under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Banro and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with Banro's business and its involvement in the gold exploration and development industry.

An investment in the Offered Shares is considered speculative and involves a high degree of risk due to, among other things, the nature of Banro's business, the present stage of its development and the location of Banro's projects in the DRC. A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this short form prospectus. The operations of the Company are speculative due to the high risk nature of its business which is the exploration, development and mining of gold properties. The Company has identified the following non-exhaustive list of inherent risks and uncertainties that it considers to be relevant to its operations and business plans. In addition to information set out elsewhere in this short form prospectus and contained in the Company's annual information form dated March 26, 2012 for the financial year ended December 31, 2011 which is incorporated by reference into this short form prospectus, investors should carefully consider the following risk factors. Such risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Risks Related to the Series A Shares

There is Currently No Trading Market for the Series A Shares

There is currently no trading market for the Series A Shares. No assurance can be given that an active or liquid trading market for the Series A Shares will develop or, if developed, that such market will be sustained. If an active or liquid market for the Series A shares fails to develop or be sustained, the prices at which the Series A Shares trade may be adversely affected.

The Market Value of Series A Shares will be Affected by a Number of Factors and, Accordingly, its Trading Price will Fluctuate

The value of Series A Shares will be affected by the general creditworthiness of the Company. The Company's management's discussion and analysis for the year ended December 31, 2011 as well as the Company's interim management's discussion and analysis for the three and nine-month period ended September 30, 2012 are incorporated by reference in this section. These analyses discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations.

Creditors of the Company Rank Ahead of Holders of Series A Shares in the Event of an Insolvency or Winding Up of the Company

The Series A Shares rank equally with other preference shares of the Company in the event of an insolvency or winding up of the Company. If the Company becomes insolvent or is wound-up, the Company's assets must be used to pay debt, including subordinated debt, before payments may be made on Series A Shares and other preferred shares.

Part VI.1 Tax on Series A Share Dividends and Deemed Dividends

The Series A Shares will be taxable preferred shares for the purposes of the Tax Act and therefore Company will be subject to a 25% tax under Part VI.1 of the Tax Act in respect of dividends and deemed dividends paid by the Company on the Series A Shares. The amount of any deemed dividend arising upon a redemption of a Series A Share will depend upon the price of gold at the time of the redemption and therefore it cannot now be determined whether or in what amount any deemed dividend would arise.

Volatility on Payments of Gold-Denominated Preferred Shares

The amount payable by the Company with respect to the Series A Shares regarding dividends, redemptions and upon liquidation is directly affected by the market price of gold and Company's production levels. Market gold prices can fluctuate widely and are affected by numerous factors beyond the Company's control, including, but not limited to, interest rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause the value of the Series A Shares to decrease. In addition, the annual dividend yield on the Series A Shares will vary based on the Company's production levels. The Company's production levels will be affected by numerous factors within and beyond the Company's control, including some of the risk factors described herein.

Voting Rights of Holders of Series A Shares

Except as otherwise described herein, the holders of Series A Shares will generally not be entitled to receive notice of or to attend any meeting of the shareholders of the Company and will not be entitled to vote at such meetings.

No Obligation to pay Dividends

Although the holders of the Series A Shares, in priority to the Common Shares and to shares of any other class ranking junior to the Series A Shares, shall be entitled to receive dividends as and when declared by the board of directors of the Company, there is no obligation of the Company to pay dividends on the Series A Shares.

Risks Related to the Common Shares

Future Sales of Common Shares and Series A Shares

Sales of a large number of the Company's common shares and Series A Shares in the public markets, or the potential for such sales, could decrease the trading price of such shares and could impair Banro's ability to raise capital through future sales of common shares or Series A Shares. Banro has previously completed common share issuances at prices per share which are lower than the current market price of its common shares. Accordingly, some of the Company's shareholders have an investment profit in the Company's common shares that they may seek to liquidate.

Risks Related to the Company

The Company's Ability to Meet its Financial Obligations is Dependent on Receipt of Funds from its Principal Subsidiaries and its Ability to Raise Additional Capital

As the Company is primarily a holding company, the Company's ability to pay dividends and other operating expenses and interest and to meet its obligations depends to a significant extent upon receipt of sufficient funds from its subsidiaries and its ability to raise additional capital. Accordingly, the likelihood that holders of the Series A Shares will receive dividends will depend to a significant extent upon the financial position of the subsidiaries of the Company.

Risks of Operating in the DRC

Banro's projects are located in the DRC. The assets and operations of the Company are therefore subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation 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. Changes, if any, in mining or investment policies or shifts in political climate in the DRC may adversely affect Banro's operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights, could result in loss, reduction or expropriation of entitlements. In addition, in the event of a dispute arising from operations in the DRC, 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. 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. There are also risks associated with the enforceability of the Company's mining convention with the DRC and the government of the DRC could choose to review the Company's titles at any time. Should the Company's rights, its mining convention or its titles not be honoured or become unenforceable for any reason, or if any material term of these agreements is arbitrarily changed by the government of the DRC, the Company's business, financial condition and prospects will be materially adversely affected.

Some or all of the Company's properties are located in regions where political instability and violence is ongoing (for example, in November 2012, the M23 rebel group took over the city of Goma (Banro's operations are located about 200 kilometres southwest of Goma), but subsequently withdrew from Goma under international pressure). Some or all of the Company's properties are inhabited by artisanal miners. These conditions may interfere with work on the Company's properties and present a potential security threat to the Company's employees. There is a risk that operations of the Company may be delayed or interfered with, due to the conditions of political instability, violence and the inhabitation of the properties by artisanal miners. The Company uses its best efforts to maintain good relations with the local communities in order to minimize such risks.

The DRC is a developing nation which recently emerged from a period of civil war and conflict. Physical and institutional infrastructure throughout the DRC is in a debilitated condition. The DRC is in transition from a largely state controlled economy to one based on free market principles, and from a non-democratic political system with a centralized ethnic power base, to one based on more democratic principles. There can be no assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for Banro and its operations. The DRC continues to experience instability in parts of the country due to certain militia and criminal elements. While the government and United Nations forces are working to support the extension of central government authority throughout the country, there can be no assurance that such efforts will be successful.

No assurance can be given that the Company will be able to maintain effective security in connection with its assets or personnel in the DRC where civil war and conflict have disrupted exploration and mining activities in the past and may affect the Company's operations or plans in the future.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in the DRC. HIV/AIDS is a major healthcare challenge faced by the Company's operations in the country. There can be no assurance that the Company will not lose members of its workforce or workforce man-hours or incur increased medical costs, which may have a material adverse effect on the Company's operations.

The DRC has historically experienced relatively high rates of inflation.

Production Risk

As is typically the case with the mining industry, no assurances can be given that future gold production estimates will be achieved. Estimates of future production for the Company's mining operations are derived from the Company's mining plans. These estimates and plans are subject to change. The Company cannot give any assurance that it will achieve its production estimates. The Company's failure to achieve its production estimates could have a material and adverse effect on the Company's future cash flows, value of Series A Shares results of operations, production cost, financial condition and prospects. The plans are developed based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions, hydrologic conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above, and as set out below, including:

- equipment failures;
- shortages of principal supplies needed for operations;
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes;
- accidents;

- mining dilution;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- strikes and other actions by labour; and
- regulatory restrictions imposed by government agencies.

Such occurrences could, in addition to stopping or delaying gold production, result in damage to mineral properties, injury or death to persons, damage to the Company's property or the property of others, monetary losses and legal liabilities. These factors may also cause a mineral deposit that has been mined profitably in the past to become unprofitable. Estimates of production from properties not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility studies prepared by the Company's personnel and outside consultants) but it is possible that actual operating costs and economic returns will differ significantly from those currently estimated. It is not unusual in new mining operations (such as the Company's Twangiza mine) or mine expansion to experience unexpected problems during the start-up phase. Delays often can occur in the commencement of production.

Mining operations generally involve a high degree of risk. The Company's early stage producing mine at Twangiza is subject to all the hazards and risks normally associated with early stage mineral production, including equipment failure, damage to or destruction of plant and equipment, unusual and unexpected geologic formations, pit collapse, injury or life endangerment, environmental damage, fire, equipment failure or structural failures, such as retaining walls or tailings dams, potentially resulting in environmental pollution and consequent liability. The payment of such liabilities may have a material adverse effect on the Company's financial position.

Commodity Prices

The future price of gold will significantly affect the development of Banro's projects and results of its mining operations. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond Banro's control. Such factors include, but are not limited to, interest rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause development of and commercial production from Banro's mineral interests to be impracticable. If the price of gold decreases, projected cash flow from planned mining operations may not be sufficient to justify ongoing operations and Banro could be forced to discontinue development and sell its projects. Future production from Banro's projects is dependent on gold prices that are adequate to make these projects economic.

Mineral reserve calculations and life-of-mine plans using significantly lower gold prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

As fuel costs are a significant component of the Company's operating costs, changes in the price of diesel could have a significant effect on its operating costs.

The Company's Substantial Indebtedness could Adversely Affect the Company's Financial Condition

In March 2012 the Company closed a US\$175 million debt financing, a result of which financing the Company has a significant amount of indebtedness. The Company's high level of indebtedness could have important adverse consequences, including:

- limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of the Company's cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;

- increasing the Company's vulnerability to general adverse economic and industry conditions;
- limiting the Company's flexibility in planning for and reacting to changes in the industry in which it competes;
- placing the Company at a disadvantage compared to other, less leveraged competitors; and
- increasing the cost of borrowing.

The Company may not be able to Generate Sufficient Cash to Service all of its Indebtedness, Including the Notes, and may be Forced to Take Other Actions to Satisfy its Obligations Under such Indebtedness, Which may not be Successful

The Company's ability to make scheduled payments on or refinance the Company's debt obligations, including the US\$175,000,000 aggregate principal amount of senior secured notes with an interest rate of 10% and a maturity date of March 1, 2017 (the "Notes"), depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the indebtedness, including the Notes.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness, including the Notes. Banro may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations. The indenture under which the Notes were issued (the "Note Indenture") restricts the Company's ability to dispose of assets and use the proceeds from those dispositions and may also restrict the Company's ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. The Company may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, Banro is a holding company, and as such it conducts all operations through subsidiaries. Accordingly, repayment of indebtedness, including the Notes, is dependent on the generation of cash flow by subsidiaries and their ability to make such cash available to Banro. Banro's subsidiaries may not be able to, or may not be permitted to, make distributions to enable the Company to make payments in respect of its indebtedness, including the Notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit the Company's ability to obtain cash from its subsidiaries. In the event that Banro does not receive distributions from its subsidiaries, the Company may be unable to make required principal and interest payments on Banro's indebtedness, including the Notes.

Banro's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance the Company's indebtedness on commercially reasonable terms or at all, would materially and adversely affect the Company's financial position and results of operations and its ability to satisfy its obligations under the Notes.

If the Company cannot make scheduled payments on its debt, the Company will be in default and holders of the Notes could declare all outstanding principal and interest to be due and payable, causing a cross-acceleration or cross-default under certain of the Company's other debt agreements, if any, and the Company could be forced into bankruptcy or liquidation.

The Terms of the Note Indenture Restrict the Company's Current and Future Operations, Particularly the Company's Ability to Respond to Changes or to take Certain Actions

The Note Indenture contains a number of restrictive covenants that impose significant operating and financial restrictions on the Company and may limit the Company's ability to engage in acts that may be in its long-term best interest, including restrictions on the Company's ability to:

- incur additional indebtedness;
- pay dividends or make other distributions or repurchase or redeem capital stock;
- prepay, redeem or repurchase certain debt;

- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- alter the businesses it conducts;
- enter into agreements restricting its subsidiaries' ability to pay dividends; and
- consolidate, amalgamate, merge or sell all or substantially all of its assets.

A breach of the covenants under the Note Indenture or the Company's other debt instruments from time to time could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event the noteholders or lenders accelerate the repayment of the Company's borrowings, Banro may not have sufficient assets to repay that indebtedness.

As a result of these restrictions, Banro may be:

- limited in how it conducts its business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect the Company's ability to grow in accordance with its strategy.

Expatriate and Third-Party Nationals Skills Risk

The Company's Twangiza mine is the first new commercial gold mining operation in the DRC in over 50 years. As a result, the Company is reliant on attracting and retaining expatriate and third-party nationals with mining experience to staff key operations and administration management positions. The Company's inability to attract and retain personnel with the skills and experience to manage the operation and train and develop staff, due to the intense international competition for such individuals, may adversely affect its business and future operations.

Need for Additional Reserves

Given that mines have limited lives based on proven and probable mineral reserves, the Company must continually replace and expand its reserves at its mines. The life-of-mine estimates included in the Company's continuous disclosure documents filed on SEDAR and EDGAR are subject to adjustment. The Company's ability to maintain or increase its annual production of gold will be dependent in significant part on its ability to bring new mines into production and to expand reserves at existing mines.

Labour Risk

The Company is dependent on its workforce to extract and process minerals, and is therefore sensitive to a labour disruption of the Company's mining activities. The Company endeavours to maintain good relations with its workforce in order to minimize the possibility of strikes, lock-outs and other stoppages at its work sites. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, unions, and the relevant governmental authorities.

Construction and Start-Up of New Mines and Mine Expansion

The Company is currently constructing its second mine at Namoya, and its first mine, at Twangiza, is currently

undergoing a plant upgrade. The success of construction projects, plant expansions and the start-up of new mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations, including environmental permits, price escalation on all components of construction and start-up, the underlying characteristics, quality and unpredictability of the exact nature of mineralogy of a deposit and the consequent accurate understanding of dore or concentrate production, the successful completion and operation of ore passes and conveyors to move ore and other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Company will be successful.

The SEC has Adopted Rules That May Affect Mining Operations in the DRC

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of noncompliance, which could have an adverse effect on the Company's stock price.

The Company is subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the New York Stock Exchange, the Toronto Stock Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the United States Congress, making compliance more difficult and uncertain. For example, on July 21, 2010, the United States Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which resulted in the SEC adopting rules that will require the Company to disclose on an annual basis, beginning in 2014, certain payments made by the Company, its subsidiaries or entities controlled by it, to the U.S. government and foreign governments, including sub-national governments. The SEC has also adopted rules under the Dodd Frank Act that will require a company filing reports with the SEC to disclose on an annual basis, beginning in 2014, whether certain "conflict minerals" necessary to the functionality or production of a product manufactured by such company originated in the DRC or any adjoining country. The Company currently holds properties located in the DRC. It is possible that the new SEC rules regarding conflict minerals could adversely affect the value of the minerals mined in the DRC, which may impact the value of the Company's interests in those properties. The Company's efforts to comply with the Dodd-Frank Act, the rules and regulations promulgated thereunder, and other new rules and regulations have resulted in, and are likely to continue to result in, increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

No History of Profitability

The Company's properties are in the exploration or development stage, other than the Company's early stage producing mine at Twangiza. The development of properties found to be economically feasible requires the construction and operation of mines, processing plants and related infrastructure. As a result, Banro is subject to all of the risks associated with establishing new mining operations and business enterprises including: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and costs of skilled labour and mining equipment; the availability and costs of appropriate smelting and/or refining arrangements; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and, the availability of funds to finance construction and development activities. The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's properties. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities at one of its development projects will result in profitable mining operations or that the Company will successfully establish mining operations or profitably produce gold.

Government Regulation

Banro's mineral exploration, development and mining activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although Banro's exploration, development and mining activities are currently carried out in accordance with applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development.

Many of Banro's mineral rights and interests are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the DRC government. No assurance can be given that Banro will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are not maintained, Banro may be delayed, curtailed or prohibited from continuing or proceeding with planned exploration, development or mining of mineral properties.

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

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Banro and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of mineral interests.

Exploration and Mining Risks

The Company's properties are in the exploration or development stage, other than the Company's early stage producing mine at Twangiza. The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures are required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit, once discovered, will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Banro not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Banro towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. In addition, in the case of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, fires, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as industrial accidents, labour force disruptions, fall of ground accidents in underground operations, unanticipated increases in gold lock-up and inventory levels at heap-leach operations and force majeure factors, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to person or property, environmental damage, delays, increased production costs, monetary losses and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of mining pit slopes and retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered by insurance policies.

Development of an Active Market and Volatility

There can be no assurance that an active market for the Series A Shares and Common Shares will be sustained after the Offering. The market price of the Company's securities may fluctuate significantly based on a number of factors, some of which are unrelated to the financial performance or prospects of the Company. These factors include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, short-term changes in commodity prices, other precious metal prices, the attractiveness of alternative investments, currency exchange fluctuation, the political environment in the DRC and the Company's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; the Company's operating performance and the performance of competitors and other similar companies; the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in estimates or recommendations by research analysts who track the Company's securities or the shares of other companies in the resource sector; the arrival or departure of key personnel; acquisitions, strategic alliances or joint ventures involving the Company or its competitors; the factors listed in this short form prospectus under the heading "Cautionary Statement Regarding Forward-Looking Statements"; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from any exchange on which they are listed at that time, further reducing market liquidity. If there is no active market for the securities of the Company, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. If such a market does not develop, investors may lose their entire investment in the Company's securities.

Financing Requirements

The Company has only a short history of commercial mining operations (the Company's first mine at Twangiza only commenced commercial production on September 1, 2012), and there is no assurance that it will operate profitably or provide a return on investment in the future. The Company has only incurred operating losses, and the development of its projects is still at an early stage. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay liabilities arising from normal business operations when they come due.

The Company will require significant amount of funds in order to carry out plans to develop its projects. There can be no assurance that such funds will be available to the Company. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of the Company's shareholders in the net assets of the Company may be diluted. Any failure of the Company to generate the required funding could have a material adverse effect on the Company's financial condition, results of operations, liquidity, and its ability to continue as a going concern, and may require the Company to cancel or postpone planned capital expenditures.

A Holder of Common Shares May Suffer Adverse U.S. Federal Income Tax Consequences if the Company is Determined to be a Passive Foreign Investment Company or a "PFIC"

The Company believes that it should not be classified as a "passive foreign investment company" ("PFIC") for its tax year ended December 31, 2012. Based on current business plans and financial expectations, the Company expects that it should not be classified as a PFIC for its current tax year and for the foreseeable future. However, the Company believes that it was classified as a PFIC for its tax year ended December 31, 2011 and in prior tax years. Whether the Company will be a PFIC for the current or future tax year will depend on the Company's assets and income over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this short form prospectus. Accordingly, there can be no assurance that the IRS will not challenge the determination made by the Company concerning its PFIC status for any tax year. U.S. federal income tax laws contain rules which result in materially adverse tax consequences to U.S. taxpayers that own shares of a corporation which has been classified as a PFIC during any tax year of such holder's holding period. A U.S. taxpayer who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC may mitigate such negative tax consequences by making certain U.S. federal income tax elections, which are subject to numerous restrictions and limitations. Holders of the Company's common shares are urged to consult their own tax advisors regarding the acquisition, ownership, and disposition of the Company's common shares.

History of Losses

The Company has incurred losses since its inception. The Company incurred the following net losses during each of the following periods:

- US\$9.6 million for the year ended December 31, 2012; and
- US\$9.3 million for the year ended December 31, 2011.

The Company had an accumulated deficit of approximately US\$84.3 million as of December 31, 2012. The losses do not include capitalized mineral property exploration and development costs.

The development of the Company's properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which any operating losses are incurred, and the Company's acquisition of additional properties, some of which are beyond the Company's control. There can be no assurance that the Company will ever achieve profitability.

Infrastructure for the Projects

The Company's projects are located in remote areas of the DRC, which lack basic infrastructure, including sources of power, water, housing, food and transport. In order to develop any of its projects Banro needs to establish the facilities and material necessary to support operations in the remote locations in which they are situated. The remoteness of each project affects the potential viability of mining operations, as Banro also needs to establish substantially greater sources of power, water, physical plant and transport infrastructure than are present in the area. The transportation of equipment and supplies into the DRC and the transportation of resources out of the DRC may also be subject to delays that adversely affect the ability of the Company to proceed with its mineral projects in the country in a timely manner. Shortages of the supply of diesel, mechanical parts and other items required for the Company's operations could have an adverse effect on the Company's business, operating results and financial condition. The lack of availability of such sources may adversely affect mining feasibility and, in any event, requires Banro to arrange significant financing, locate adequate supplies and obtain necessary approvals from national, provincial and regional governments, none of which can be assured. The Company's interests in the DRC are accessed over lands that may also be subject to the interests of third parties which may result in further delays and disputes in the carrying out of the Company's operational activities.

Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

The mineral resource and mineral reserve figures referred to in this short form prospectus and in the Company's filings with the SEC and applicable Canadian securities regulatory authorities, press releases and other public statements that may be made from time to time are estimates. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that this mineralization could be mined or processed profitably.

The Company has not commenced commercial production on any of its properties other than Twangiza, and has not defined or delineated any proven or probable reserves on any of its properties other than Twangiza. Mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

The resource and reserve estimates referred to in this short form prospectus have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in the market price for gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven or probable reserves at any of its properties other than Twangiza. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves on such properties. The failure to establish proven and probable reserves on such properties could severely restrict the Company's ability to successfully implement its strategies for long-term growth.

Uncertainty Relating to Inferred Mineral Resources

There is a risk that the inferred mineral resources referred to in this short form prospectus cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty that may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

Dependence on Limited Properties

The Twangiza, Lugushwa, Namoya and Kamituga properties account for the Company's material mineral properties. Any adverse development affecting the progress of any of these properties may have a material adverse effect on the Company's financial performance and results of operations.

Market Perception

Market perception of junior gold companies such as the Company may shift such that these companies are viewed less favourably. This factor could impact the value of investors' holdings and the ability of the Company to raise further funds, which could have a material adverse effect on the Company's business, financial condition and prospects.

Uninsured Risks

Although the Company maintains directors and officers insurance and insurance on its premises in Toronto, Canada, its insurance does not cover all the potential risks associated with its operations, including industrial accidents, damages to equipment and facilities, labour disputes, pollution, unusual or unexpected geological conditions, rock bursts, ground or slope failures, cave-ins, fires, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and other environmental occurrences. In addition, Banro may elect not to obtain coverage against these risks because of premium costs or other reasons, and where coverage is maintained, losses may exceed policy limits. Losses from these events may cause Banro to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of Banro's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Banro's operations. Environmental hazards may exist on the properties on which Banro holds interests which are unknown to Banro at present and which have been caused by previous owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required. Banro has acquired its principal mineral properties through a cession from SOMINKI. As such, Banro will be liable to the DRC State for any environmental damage caused by SOMINKI as previous owner and operator of such properties.

Difficulties for Investors in Foreign Jurisdictions in Bringing Actions and Enforcing Judgments

The Company is organized under the laws of Canada and its principal executive office is located in Toronto, Canada. All of the Company's directors and officers, and all of the experts referred to in this short form prospectus, reside outside of the United States, and all or a substantial portion of their assets, and a substantial portion of the Company's assets, are located outside of the United States. As a result, it may be difficult for investors in the United States or otherwise outside of Canada to bring an action against directors, officers or experts who are not resident in the United States or in other jurisdictions outside Canada. It may also be difficult for an investor to enforce a judgment obtained in a United States court or a court of another jurisdiction of residence predicated upon the civil liability provisions of federal securities laws or other laws of the United States or any state thereof or the equivalent laws of other jurisdictions outside Canada against those persons or the Company.

Uncertainty of Acquiring Additional Commercially Mineable Mineral Rights

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Banro's future growth and productivity will depend, in part, on its ability to identify and acquire additional commercially mineable mineral rights, and on the costs and results of continued exploration and development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to: establish ore reserves through drilling and metallurgical and other testing techniques; determine metal content and metallurgical recovery processes to extract metal from the ore; and construct, renovate or expand mining and processing facilities.

In addition, upon an ore discovery, it takes several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, there can be no assurance that the Company will successfully acquire additional commercially mineable (or viable) mineral rights.

Litigation Risks

The Company may from time to time be involved in various legal proceedings. While the Company believes it is unlikely that the final outcome of any such proceedings will have a material adverse effect on the Company's financial position or results of operation, defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal matter will not have a material adverse effect on the Company's future cash flow, results of operations or financial condition.

Future Hedging Activities

The Company has not entered into forward contracts or other derivative instruments to sell gold that it might produce in the future. Although the Company has no near term plans to enter such transactions, it may do so in the future. Forward contracts obligate the holder to sell hedged production at a price set when the holder enters into the contract, regardless of what the price is when the product is actually mined. Accordingly, there is a risk that the price of the product is higher at the time it is mined than when the Company entered into the contracts, so that the product must be sold at a price lower than could have been received if the contract was not entered. There is also the risk that the Company may have insufficient gold production to deliver into forward sales positions. The Company may enter into option contracts for gold to mitigate the effects of such hedging.

Currency Risk

The Company uses the United States dollar as its functional currency. Fluctuations in the value of the United States dollar relative to other currencies (including the Canadian dollar) could have a material impact on the Company's consolidated financial statements by creating gains or losses. No currency hedge policies are in place or are presently contemplated.

Dependence on Management and Key Personnel

The success of the Company depends on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company. The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company currently does not have key person insurance on these individuals. The Company may need to recruit additional qualified personnel to supplement existing management and there is no assurance that the Company will be able to attract such personnel.

Competition

The natural resource industry is intensely competitive in all of its phases. Significant competition exists for the acquisition of properties producing, or capable of producing, gold or other metals. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower, drill rigs and helicopters. Increased competition could also adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Conflict of Interest

A number of directors and officers of the Company also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to the Company and to such other companies.

Risks Related to the Offering

Discretion in the Use of Proceeds

The Company currently intends to allocate the proceeds it will receive from the Offering as described above under "Use of Proceeds". However, the Company will have discretion in the actual application of these proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it believes it would be in the best interests of the Company to do so. The failure by the Company to apply these proceeds effectively could have a material adverse effect on the Company's business and consequently could affect the price of the Company's common shares on the open market.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Deloitte & Touche LLP, Independent Registered Chartered Accountants, Licensed Public Accountants, of Toronto, Ontario, Canada.

The main transfer agent and registrar for the Common Shares is Equity Financial Trust Company at its office in Toronto, Ontario, Canada.

LEGAL MATTERS

Norton Rose Canada LLP is acting as Canadian counsel to the Company and Blake, Cassels & Graydon LLP is acting as Canadian counsel to the Agent.

INTEREST OF EXPERTS

The matters referred to under “Eligibility for Investment” and certain other legal matters relating to the Offered Shares offered by this short form prospectus will be passed upon at the date of closing on behalf of the Company by Norton Rose Canada LLP and on behalf of the Agent by Blake, Cassels & Graydon LLP. As at the date hereof, the partners and associates of Norton Rose Canada LLP and Blake, Cassels & Graydon LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company. One of Banro’s directors is a partner of Norton Rose Canada LLP.

None of Venmyn Deloitte (formerly Venmyn Rand (Pty) Ltd) (“**Venmyn**”), SENET, SRK (UK) (formerly Steffen, Robertson and Kristen (UK) Ltd.) (“**SRK**”) or Michael B. Skead (each having prepared, certified or supervised the preparation of, a report, valuation, statement or opinion relating to the Company’s mineral properties incorporated into or referenced in this short form prospectus), Deloitte & Touche LLP, Independent Registered Chartered Accountants, Licensed Public Accountants (“**Deloitte**”) (who provided the auditor’s reports or reports of independent registered chartered accountants, as applicable, accompanying the Company’s annual consolidated financial statements since the year ended December 31, 2009) or any partner, employee or consultant of Venmyn, SENET or SRK who (i) participated in and who was in a position to directly influence the preparation of a report, valuation, statement or opinion relating to the Company’s mineral properties which was included in a filing made by the Company under National Instrument 51-102 — Continuous Disclosure Obligations (“**NI 51-102**”), or (ii) at any time during the preparation of a report, valuation, statement or opinion relating to the Company’s mineral properties which was included in a filing made by the Company under NI 51-102 was in a position to directly influence the outcome of such report, valuation, statement or opinion, as applicable, held at the time of preparing such report, valuation, statement or opinion, or any employee, partner or consultant of Deloitte who provided the auditor’s report accompanying the Company’s annual consolidated financial statements since the year ended December 31, 2009 received after such time or is to receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of any associate or affiliate of the Company. As at the date hereof, the aforementioned persons and companies beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

Deloitte reports that it is independent of the Company in accordance with the Rules of Professional Conduct in Ontario, Canada. Deloitte is registered with the Public Company Accounting Oversight Board.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Canada, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Agent, the Common Shares or Series A Shares, as the case may be, provided that such Common Shares or Series A Shares, as the case may be, are listed on a designated stock exchange (which currently includes the TSX) or provided the Company remains a public corporation for purposes of the Tax Act if issued on the date of this short form prospectus, would be qualified investments under the Tax Act and the Regulations thereunder for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account (“**TFSA**”).

The Offered Shares will generally not be a “prohibited investment” for trusts governed by a TFSA, RRSP or RRIF unless the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm’s length with the Company for purposes of the Tax Act, (ii) has a “significant interest” as defined in the Tax Act in the Company, or (iii) has a “significant interest” as defined in the Tax Act in a corporation, partnership or trust with which the Company does not deal at arm’s length for purposes of the Tax Act. Proposals released on December 21, 2012 (the “**December 2012 Proposals**”) propose to delete the condition in (iii) above. In addition, pursuant to the December 2012 Proposals, an Offered Share will generally not be a “prohibited investment” if the Offered Share is “excluded property” as defined in the December 2012 Proposals for trusts governed by a TFSA, RRSP or RRIF. Holders who may wish to hold their Offered Shares in a trust governed by a TFSA, RRSP or RRIF are advised to consult their own tax advisors regarding the “prohibited investment” rules having regard to their particular circumstances.

INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS' CONSENT

We have read the short form prospectus of Banro Corporation (the “**Company**”) dated March ●, 2013 relating to the issue and sale of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the Board of Directors and Shareholders of the Company on the consolidated statements of financial position of the Company as at December 31, 2011, December 31, 2010 and January 1, 2010 and the consolidated statements of comprehensive income (loss), changes in equity, and cash flows for each of the two-year period ended December 31, 2011, and a summary of significant accounting policies and other explanatory information. Our report is dated March 26, 2012.

We also consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the Board of Directors and Shareholders of the Company on the internal control over financial reporting as at December 31, 2011, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our report is dated March 26, 2012.

Toronto, Canada
●, 2013

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Independent Registered Chartered Accountants
Licensed Public Accountants

CERTIFICATE OF BANRO CORPORATION

Dated: March 26 2013

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Alberta, British Columbia, Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

BANRO CORPORATION

By: (Signed) JOHN CLARKE
Chief Executive Officer

By: (Signed) DONAT MADILO
Chief Financial Officer

On behalf of the Board of Directors

By: (Signed) ARNOLD T. KONDRAT
Director

By: (Signed) RICHARD J. LACHCIK
Director

CERTIFICATE OF THE AGENT

Dated: March 26, 2013

To the best of our knowledge, information and belief, this short form prospectus together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Alberta, British Columbia, Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

GMP SECURITIES L.P.

By: (Signed) MARK WELLINGS
Managing Director, Investment Banking