ALEXANDER NUBIA INTERNATIONAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PERIOD ENDED JUNE 30, 2015

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of financial condition and results of operations of Alexander Nubia International Inc. and its subsidiaries (the "Company") provides an analysis of the Company's results of operations and financial condition for the six months ended June 30, 2015. This MD&A supplements but does not form part of the condensed consolidated interim financial statements for the period ended June 30, 2015, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Consequently, the following discussion of performance and financial condition should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2014 and the notes thereto.

All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated. Additional information related to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.alexandernubia.com. This MD&A contains information up to and including August 24, 2015.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed herein under the heading "Risks and Uncertainties" and "Risk Factors". Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding gold prices, business and operating strategies, and the Company's ability to operate on a profitable basis.

NOTE TO U.S. INVESTORS CONCERNING ESTIMATES INFERRED RESOURCES

The term "Inferred" Resources is used herein. United States investors are advised that while such a term is recognized and required by Canadian regulations, the United States Securities and Exchange Commission do not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.

CORPORATE OVERVIEW & FOREIGN INVESTMENTS IN EGYPT

The Company is a Canadian mineral exploration company committed to identifying and advancing gold and base-metal projects in the Eastern Desert of Egypt. Since October 5, 2010, the common shares have been listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "AAN". Through the Company's wholly owned subsidiaries, Alexander Nubia Resources Inc. and Alexander Nubia Mining Inc, the Company holds two exploration concessions in Egypt, Abu Marawat and Fatiri, which cover areas of 1,027 km^2 and 1,745 km^2, respectively.

The Company is actively exploring both concessions, with emphasis on the Abu Marawat Concession, which contains the Company's two main deposits that are the Company's material projects: the Abu Marawat orogenic shear-zone-hosted gold-copper vein deposit, with an inferred gold-copper-rich resource prepared in accordance with National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("NI 43-101"), and the Hamama gold-silver-copper-zinc project, which has a 3-kilometre strike length and is the current focus of drilling. The historical gold and copper mining district in which the Company operates contains numerous small workings, including historical small-scale mining at the Abu Marawat deposit, and three past-producing gold mines (Semna, Sir Bakis and Abu Zawal). The two main properties are located near excellent regional infrastructure. They are 35 kilometres apart, are within 30 kilometres of a four-lane highway, railway right-of-way, and high-capacity electricity grid, and are near the major cities of Qena, on the Nile River, and Safaga, on the Red Sea. The Company has not yet determined whether these properties and geological targets contain ore reserves.

The Company operates under the Ministry of Petroleum, where several oil & gas companies operate successfully, some of which since 1902, and have committed significant amounts of capital. Management of the company believes that given the state of the Egyptian economy and the need for foreign investment, the Government of Egypt supports the development of the natural-resources sector. The Company believes that its mineral tenements are secure because they were decreed into national law by an act of Parliament and a Presidential Order. This is the same practice as applied to oil and gas companies operating in Egypt. In April 2014, the Egyptian government passed a law barring third-party challenges to state deals. The purpose of the law is to provide assurances to investors with respect to security of title. Management and advisors of the Company believe this law should provide additional assurances to investors; however, it is uncertain if there will be constitutional challenges to this law.

Reflecting the continued improvement in the investment environment and economic outlook in Egypt is an upgrade by Moody's in the nation's credit rating to B3 with a stable outlook. Foreign investment interest continues to increase in tandem with the various government initiatives such as the completion of the $8 billion Suez Canal expansion, special decree to create a 460-square-kilometer Special Economic Zone around the canal, passage of laws to permit expansion and the diversification of the nation's energy mix through solar, wind and an agreement to build Egypt's first nuclear power plant.

Underscoring the desire of the Egyptian authorities to attract and secure foreign investment, the Minister of Petroleum has approved a modification in the commercial terms for Eni S.p.A, with an amendment of the concession agreement allowing for more competitive gas pricing. Similar modifications have been enacted for oil and gas companies, BP and RWE.

The economic outlook is further bolstered by the recent strength in the domestic Cairo Alexandria Stock Exchange (CASE), which has exceeded pre-2011 levels. Management of the Company believe the political outlook continues to improve, although the Company's financial performance could be adversely affected by any further political upheaval, security-related, or associated events.

The Abu Marawat and Fatiri Concession Agreements, are decreed by law, which defines multiple phases of exploration with a required minimum exploration obligation for each phase of exploration. Not considering additional time that maybe applied related to *force majeure* described below, Phase I has a duration of one year, Phase II-A, has a duration of two (2) years, and Phase II-B has a duration of two years. An additional six months may be applied with the approval of EMRA at the end of the last phase of exploration.

For the Abu Marawat Concession, the Company has met the minimum financial obligation for all three phases. For the Fatiri Concession, the Company has met the minimum financial obligation for Phase I. Pending the final outcome of the extension, for the Fatiri Concession, this will determine the date when the Company is required to enter into Phase II-A and to honor its minimum exploration obligations by way of Letter of Guarantee in the sum of $1 million less any over-expenditure related to Phase I. For the Abu Marawat and Fatiri Concessions, the Company is required to provide a 2% training fee on the total exploration expenditure for the fiscal year.

The Company was granted an extension by the Ministry of Petroleum with the ability to extend for an additional year subject to the Company meeting certain technical and financial obligations. Not considering the possibility of a year extension, currently, Phase I of the Fatiri Concession, and Phase II-A of the Abu Marawat Concession ends as of July 31, 2015. The Company has submitted formal request to seek the additional year extension, pending is an official response from the Ministry of Petroleum and the Egyptian Mineral Resource Authority.

TECHNICAL INFORMATION AND MINERAL RESOURCES

John G. Payne, Ph.D., P.Geo, and Vice President of Exploration of the Company, is the person responsible for preparation of the technical information contained in this MD&A and is a "Qualified Person" as defined by CIM Standards of National Instrument 43-101 ("NI 43-101"). Dr. Payne has reviewed and approved the technical information in the MD&A.

Certain disclosures in this MD&A of scientific or technical information for the Company's Abu Marawat and Hamama mineral projects are based on the NI 43-101 compliant technical report entitled "Technical Report on the Abu Marawat Concession, Egypt" in respect of the Abu Marawat Concession dated April 5, 2012 (the "Abu Marawat Technical Report") authored by Wayne W. Valliant, P.Geo., and Bernard Salmon, of Roscoe Postle Associates Inc., both independent "Qualified Persons" as defined in NI 43-101. The Abu Marawat Technical Report is available on SEDAR at www.sedar.com.

The mineral resource figures referred to in this MD&A are estimates; no assurance can be given that the stated levels of gold and copper 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 change significantly when new information becomes available. While the Company believes that the resource estimates included in this MD&A are well established, by their nature, resource estimates are imprecise and depend, to a certain extent, upon statistical inferences and geological assumptions that ultimately may prove unreliable. If such estimates are sufficiently inaccurate and/or if future estimates based on new data are sufficiently lower, this could have a materially adverse impact on the Company.

Mineral resources do not have demonstrated economic viability; they are estimated on limited information which is insufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. They are too preliminary geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that through continued exploration, mineral resources can be upgraded to mineral reserves.

Hamama VMS Deposit in the Abu Marawat Concession

The Abu Marawat Concession is an exploration license and exploitation lease that the Company can, not considering extensions related to force majeure, explore by law for a period of five years from the effective date, at which time a commercial discovery is required. Additional areas may be retained with two possible extensions, each for two more years, at the end of Phase II-B provided the Company declares a commercial discovery. At the end of each of Phase I and Phase II-A of exploration, the original concession area must be reduced by 25%. At the end of Phase II-B, a prospective area is required to be defined that has characteristics of a viable deposit but needs further definition, i.e., a commercial deposit.

In 2007, the Company negotiated an exploration and mining agreement, the "Concession Agreement – Abu Marawat" ("CAAM"), with the Egyptian Mineral Resources Authority ("EMRA") and the Egyptian Government, to have the sole right to explore and exploit gold and associated minerals in the Abu Marawat Exploration Concession. The CAAM was declared into Law 96 of 2007 and the Effective Date is September 27, 2008.

In September 2014, the Company continued the exploration program on the Abu Marawat Concession, with results released in 2014-Q4, 2015-Q1, and 2015-Q2. The summary of this program includes:

Hamama Gold-Silver-Copper-Zinc Project

a) Hamama is interpreted as a structurally and stratigraphically-controlled gold-silver-copper-zinc-bearing, volcanogenic semi-massive sulphide deposit with abundant replacement quartz-stringer mineralization.

b) Mineralization is found primarily at and stratigraphically below the overturned contact between: stratigraphic footwall meta-latite and meta-andesitic volcanic rocks and stratigraphic hanging wall meta-sedimentary rocks (bedded tuffs and Banded Iron Formation-[BIF]).

c) The Main Horizon of Hamama is 3,000 metres in strike length and is subdivided geographically into Hamama West, Hamama Central and Hamama East zones.

d) Hamama West is capped by a 900-metre-long Gold-Oxide Cap, whichextends to an average of 35-40 meters depth. The Gold-Oxide Cap has a surface area of 59,000 m° and has been thoroughly trenched at ~50-metre spacing.

e) Hamama Central is 640 metres long and contains copper and zinc mineralization, as indicated in part by channel sampling of the Main Horizon, which returned 6 metres at 0.80 g/t gold, 49 g/t silver, 0.95% copper and 1.6% zinc. Drilling and surface trenching intersected a continuous semi-massive sulphide zone, which, on the only vertical cross-section tested so far, is 11-14 m thick and, in the deepest hole (AHA-20) intersected 11.3 metres of 1.2 g/t gold, 71 g/t silver, 0.2% copper and 5.1% zinc. Grab samples from copper-zinc oxide zones in ancient workings from Hamama Central and Hamama East, respectively, average 0.46 g/t Au, 8.7 g/t Ag, 0.85 % Cu, and 33.3 % Zn and 0.58 g/t Au, 32.8 g/t Ag, 1.06% Cu and 12.59% Zn.

f) Hamama East has a 500-metre-long oxide horizon with extensive man-made excavations, which were the focus of ancient mining for copper-rich oxide material and likely represent a wider source of mineralization at depth.

g) Hamama's Main Horizon was drilled by the Company in 2011-2012 for a total of 26 diamond drill holes (2,577.2 metres). Mineralization has been intersected to true depths of up to 130 metres below surface. Mineralization at Hamama is open along strike and at depth. In 2014-2015, the Company drilled 32 more diamond drill holes (3667.5 m), for which assays have been reported for 20 holes. Assays are pending from 12 holes.

h) Hamama shares a number of key geological features with major VMS deposits elsewhere in the Arabian Nubian Shield, in particular Bisha Main and Harena, Hassai and Hadal Awatib and Jabal Sayid, These are:
   1. Semi-massive gold-silver-copper-zinc mineralization at a metavolcanic-metasedimentary contact
   2. Gold-Oxide Cap at surface of mineralization
   3. Strong quartz stringer mineralization in the stratigraphic footwall
   4. BIF (a cherty sedimentary rock bearing magnetite and/or hematite) in the stratigraphic hanging wall.
   5. A commonly finely banded Silica-Carbonate-Barite Rock (SCBR), which is widespread at or near the stratigraphic level of the Main Horizon along much of the strike length of the deposit
   6. Ore-body geometries of stratabound, tabular sheets that extend from surface down-dip, and which widen and commonly increase in grade with depth

Recent Hamama Project Highlights

- Almost all holes drilled to date at the Gold-Oxide Cap at Hamama West intersected gold and silver mineralization, including AHA-36 with 24 m at 1.02 g/t Au and 90.6 g/t Ag (2.33 g/t AuEq.[1]) and AHA-37 with 32.6 m at 1.37 g/t Au and 56.4 g/t Ag (2.18 g/t AuEq.[1]).

- The thickness of the Gold-Oxide Cap averages 35 m and increases to 45 m true depth in the west, where AHA-43 drilled 59 m at 0.80 g/t Au and 23 g/t Ag (1.13 g/t AuEq. [1]).

- Over a strike length of at least 400 m in the eastern half of the 900-meter-long Gold-Oxide Cap, drilling intersected multiple gold-silver mineralized tabular sheets, averaging 8 to 10 m in thickness, such as AHA-42, with one zone of 9.3 m at 1.54 g/t Au and 19.7 g/t Ag (1.82 g/t AuEq.[1]) and a second of 8.5 m at 1.82 g/t Au and 136.6 g/t Ag (3.79 g/t AuEq.[1]).

- AHA-45 and AHA-46, drilled 77 m apart along strike near the western end of the Gold-Oxide Cap beneath surface cover of Nubian sandstone, returned significant gold and silver mineralization, including 12 m at 2.05 g/t Au and 168.9 g/t Ag (4.48 g/t AuEq.[1]) in AHA-45, and 19 m at 2.46 g/t Au and 157.3 g/t Ag (4.73 g/t AuEq. [1]) in AHA-46. These data suggest a probable continuation of the zone to the west.

- AHA-31 and AHA-44 targeted the extension of primary sulphide mineralization down-dip of the Gold-Oxide Cap and laterally along strike from previously-drilled AHA-24, 25 and 26. AHA-31 over a length of 157 metres averaged 0.72 g/t Au and 100.1 g/t Au (2.16 g/t AuEq.[1], including 88.4 metres averaged 1.11 g/t Au and 118.4 g/t Ag (2.82 g/t AuEq.[1]). Assays from AHA-44 indicate up to 4 stacked mineralized zones, including one of 10.5 m at 1.08 g/t Au and 26.3 g/t Ag (1.46 g/t AuEq. [1]) and one of 8 m at 1.43 g/t Au and 26.6 g/t Ag (1.81 g/t AuEq. [1]). AHA-44 contains mineralized wallrock between the stacked mineralized sheets, which combined with the main zones, returned 93 m with an average grade of 0.70 g/t Au and 17 g/t Ag (0.94 g/t AuEq. [1]). The true thicknesses of the zone are 80-90% of these values.

- Altered host rock between the higher grade zones contains gold and silver mineralization, such as AHA-39, where the altered host rock between high-grade zones assayed 0.68 g/t Au and 25.8 g/t Ag (1.05 g/t AuEq.[1]) over 7 m.

- Preliminary metallurgical testing by bottle roll of composite samples taken from oxide material in the Gold-Oxide Cap indicate that the oxide is amenable to cyanide leaching, with gold recovery up to 92.2 percent, averaging 86.6 percent, and silver recovery up to 62.4 percent, averaging 45 percent.

- The northeast copper trend covers an area 240 metres by 100 metres that contains four copper-vein workings dating back to Roman times. The workings trend north-northeast and north-northwest. Results from channel sampling include 2 metres at 0.68 % copper and 2% zinc. A surface grab sample assayed at 2.23% copper.

- Trench results from the northwest copper trend include 10 metres at 0.3% copper (T-49) and 34 metres at 0.4% copper (T-72)

- Oxide mineralization has been discovered in the stratigraphic hanging wall (structural footwall) of the Main Horizon within a few tens of metres of its top, in part in areas of BIF:
  - At Hamama West, DT-138 contains 8 m averaging 6.40 g/t Au, 230 g/t Ag, (9.71 g/t AuEq.[1]), 8.16% Zn, and 3.50% Pb from 10-18 metres south of the Main Horizon.
  - At Hamama Central, assays average 2.76 g/t Au and 62 g/t Ag, (3.65 g/t AuEq.[1]), 0.2% Cu and 3.6 % Zn
  - Grab sampling of this zone along the entire contact of the Main Horizon at Hamama East returned assays averaging 0.84 g/t Au, 33 g/t Ag (1.32 g/t AuEq.[1]) and 0.4% Zn

- Oxide mineralization was identified at Hamama Central and Hamama East. Assay results from oxide grab sampling:
  - Oxide from Hamama Central averages 0.58 g/t Au, 33 g/t Ag (1.06 g/t AuEq.[1]), 1.1% Cu and 12.6% Zn
  - Oxide from Hamama East averages 0.46 g/t Au, 9 g/t Ag, (0.59 g/t AuEq.[1]), 0.85% Cu and 33.3% Zn

The potential quantity and grade of the mineral occurrence at the Hamama deposit is uncertain. Insufficient exploration has been done to date to define a mineral resource and it is uncertain if future exploration will result in the target being delineated as a mineral resource. For additional disclosure regarding the Hamama deposit, see the Company's press releases dated April 30, 2012, May 9, 2012, May 24, 2012, June 19, 2012, August 15, 2012, September 5, 2012, October 2, 2012, October 19, 2012, October 30, 2012, and November 20, 2012, November 29, 2012, December 11, 2012, January 10, 2013, February 5, 2013, February 27, 2013, March 23, 2014, July 9, 2014, September 23, 2014, October 21, 2014 and November 12, 2014, January 6, 2015, January 13, 2015, February 3, 2015, 31 March, 2015, 14 April, 2015, May 26, 2015, and June 9, 2015 filed under the Company's profile on SEDAR at www.sedar.com.

Abu Marawat Gold-Copper Deposit in the Abu Marawat Concession

In January 2011, the Company began a preliminary drilling program on the Abu Marawat deposit and engaged Roscoe Postle Associates Inc. to prepare the Abu Marawat Technical Report. This report, dated April 5, 2012, is available on SEDAR at www.sedar.com.

The Company has completed over 18,000 metres of diamond drilling to advance the Abu Marawat deposit to the property's first inferred mineral resource of 397,000 ounces of gold and gold-equivalent[2]. See below under "Gold and Gold-Equivalent Calculation". The Abu Marawat deposit inferred mineral resource is: 2.9 million tonnes at an average grade of 1.75 g/t gold, 29.3 g/t silver, 0.77 % copper and 1.15 % zinc, containing 162 thousand ounces of gold, 2.7 million ounces of silver, 49 million pounds of copper, and 73 million pounds of zinc.

Gold and Gold-Equivalent Calculation

[1]: Gold equivalent (AuEq) calculated using the 12-month trailing average for Au and Ag through 2014-05-18, US$ 1292.27/oz Au and US$ 20.41/oz Ag). Using a ratio of US$Au:US$Ag=63 (assuming 100% recovery and no NSR), the AuEq formula is AuEq = (Au g/t + Ag g/t /63). Cautionary note: these figures will change over time. Source: Kitco.com. No cut-off was applied on individual high-grade assay results.

[2]: Management of the Company has used the following to determine the inferred mineral resource of 397,000 ounces of gold plus gold-equivalent: The value of gold and the gold-equivalent values of silver, copper, and zinc are based on the metal prices used in the NSR model as follows: gold US$1400/ounce, silver US$26/ounce, copper US$3.50/pound, zinc $1.15/pound. As metal prices fluctuate relative to each other, the gold-equivalent value will fluctuate correspondingly.

Abu Marawat Gold-Copper Deposit Highlights

a) Abu Marawat is orogenic shear-zone hosted gold-silver-copper-zinc system consisting of a series of sub-parallel, sub-vertical mineralized quartz veins up to several metres wide in a host rock of altered meta-volcanic rocks cut by a late hypabyssal felsic intrusion. The vein system is near and sub-parallel to a major Z-shaped warp in a regional shear zone; both the hypabyssal felsic intrusion and the vein system are interpreted as having formed in a zone of tensional fracturing associated with the warping of the major fault.

b) Orogenic shear-zone hosted vein deposits are known to have a vertical extent of mineralization of over 1,000 metres.

c) The inferred mineral resource is based on only 700 metres of the interpreted 1,500-metres strike length of the vein system to an average depth of 200 metres.

d) Deep trenching discovered two new vein zones laterally to the main zone: 1) a gold-rich vein zone west of the main zone, and 2) a copper-rich vein zone east of the main zone.

e) The property has potential for additional veins and significant expansion of the inferred mineral resource along strike, at depth, and in new vein zones on the flanks of the vein system.

f) Preliminary petrographic analysis and historical tests suggest reasonable metallurgy and normal metal recoveries.

Highlights of Other Target Areas

The **Abu Marawat Concession** contains evidence of ancient gold and copper vein workings and gold-processing sites, as well as two historic gold mines. Gold and copper mineralization follows a 40-kilometre-long, northeast trend from Hamama in the southwest to Abu Marawat in the northeast.

The main targets in the Abu Marawat concession are, from southwest to northeast: the Hamama gold-silver-copper-zinc VMS project; gold-bearing quartz veins at the Sir Bakis mine, the Ptolemaic workings of Eradia and El Gidama, at Bohlog, Massaghat (very high grade), and the historic mine at Semna; the Miranda Gossan area, and the Abu Marawat gold-copper vein deposit.

Sir Bakis is a former gold mine located 12 km northeast from the Hamama project and 5.6 southwest of the Bohlog prospect. The system of gold-bearing quartz veins at Sir Bakis trends north-south to north-northwest and dips steeply. The system is about 1.6 km long and cuts mainly granodiorite. Historic development and extraction focused along 375 metres of the main vein, which hosts an abandoned mine. Several adits and a deep shaft, about 80 metres deep, remain open. In 2014, the Company identified 20 additional quartz veins, ranging from 0.4 to 2 metres in thickness, which have been partially excavated and mined in ancient times.

Bohlog is located 17.5 km northeast of Hamama and was identified in a reconnaissance study by the Company in 2012, when seven samples collected from a zone several hundred metres long returned assays from 2.0 g/t gold to 18.65 g/t gold. Ancient vein workings at site date back to Roman times. Gold-bearing quartz veins are hosted in a quartz monzonite intrusion over an area of one square kilometre.

The **Miranda Gossan** zone is located 9 km south of the Abu Marawat gold-copper vein deposit. The area contains an IP anomaly as identified by ground geophysical survey in 2008 and sampling of this area returned grades ranging from 1.25% to 2.26% copper. It also contains a stratabound gossan which may be part of an incipient VMS system, and a few vein zones which suggest that these may be part of a larger system that includes Abu Marawat.

In the **Fatiri Concession**, the **Abu Zawal** historic gold mine is 4.5 km southeast from the Sohag-Safaga highway. Gold-bearing quartz veins are hosted in felsic sills that cut granodiorite to the east and metasedimentary rocks to the west. The veins in the sills strike north-northeast with shallow dips parallel to the contacts of the sills, and a few veins strike north-northwest at steeper dips. During 1902-1905, the Fatiri Exploration Company mined the deposit in shallow workings and milled the product on site. Gold was extracted using cyanide leach, as is evident by the basins at the modern processing plant. Alexander Nubia has accurately located all the ancient workings, pits, trenches and underground workings on site. The tailings below the historic mine were channel-sampled and returned assay results averaging 1.19 g/t gold. Gold mineralization at Abu Zawal can be separated into three target areas: East Zone, West Zone and Northeast Zone.

The **East Zone** of Abu Zawal has north-south and northwest trending veins, including one quartz vein with width of 0.15 to 1.2 metres that extends for 300 metres. Ancient and modern extraction activities have concentrated on the central part of this deposit. Underground workings descend to average depths of 8 to 12 metres, although only few are accessible today. The Company sampled some of the underground workings in the East Zone and returned and average gold grade of 8.34 g/t gold, with a high value of 16.9 g/t gold based on eight channel samples.

Also in the **Fatiri Concession**, gold-silver-copper-lead-zinc mineralization at **Rouh Al Hadid** occurs in a shallowly dipping felsic sill at or near the base of a thick section of Dohkan andesite flows that overlie unconformably a granodiorite intrusion. Mineralized quartz veins within the sill are up to 0.5 metres thick and are mainly parallel to the contacts of the sill. Some veins show strongly brecciation textures. In 2008, two-metre channel sampling of veins and wallrock along the strike length of the sill returned assays including 26.2 g/t gold and 97.3 g/t silver (27.6 g/t AuEq.[1]), and 14.2 g/t gold and 170 g/t silver (16.6 g/t AuEq.[1]). A few samples of black oxide material (one from outcrop within the sill, six from dumps) average 10.1 g/t Au, 391 g/t Ag, (15.7 g/t AuEq.[1]), >20% Pb, 0.16% Cu, and 0.32% Zn, along with highly anomalous values in Bi (120 ppm), Sb (262 ppm), and Sr (367 ppm). Additional infill grab sampling in 2015 was successful in identifying high grade gold-silver-copper-rich sections of the main contact zone, returning assays of 55.8 g/t gold, 61 g/t silver (56.7 g/t AuEq.[1])and 1.60% copper, and 17.85 g/t gold, 209 g/t silver (20.9 g/t AuEq.[1]) and 3.53% copper.

RESULTS OF OPERATIONS

Results of Operations for the six months ended June 30, 2015 as compared with 2014

The net loss for the period increased by $400,722 to $991,763 (2014 – $591,041). Individual items explaining this increase in net loss are as follows:

- Exploration and evaluation expenditures increased by $497,749 to $803,624 (2014 - $305,875) as the Company spent funds from proceeds of the private placement on exploration and evaluation expenditures.

- Office and administration decreased by $38,530 to $35,139 (2014 - $73,669) as the Company cut overhead expenditures and focused on exploration and evaluation of the Company's mineral properties.

- Professional and consulting fees increased by $65,410 to $179,782 (2014 – $114,372) primarily due to the appointment of the Director of Corporate Development.

- Share-based payments decreased by $13,280 to $16,127 (2014 - $29,407) from vesting stock options issued in prior year.

- Gain on settlement on accounts payable and accrued liabilities of $93,292 (2014 - $Nil) relates to certain venders agreeing to settle on outstanding payables.

Cash Flows for the period ended June 30, 2015 compared to 2014

Cash outflows from operating activities increased by $601,472 to $940,701 (2014 – $339,229) spent more funds on exploration and evaluation expenditures.

Net cash inflow from financing activities increased by $686,525 to $964,668 (2014 - $278,143) as a result of the Company completing an issuance of common shares in a private placement during the period.

SUMMARY OF QUARTERLY RESULTS

	2015		2014				2013	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	639,122	352,641	499,009	410,130	375,819	215,222	328,922	193,922
Basic and diluted net loss per share	0.02	0.01	0.02	0.02	0.01	0.01	0.01	0.01

Results of Operations for the three months ended June 30, 2015 as compared with 2014

The net loss for the period increased by $263,303 to $639,122 (2014 – $375,819). Individual items explaining this increase in net loss are as follows:

- Exploration and evaluation expenditures increased by $349,700 to $548,073 (2014 - $198,373) as the Company spent funds from proceeds of the private placement on exploration and evaluation expenditures.
- Office and administration decreased by $25,309 to $19,185 (2014 - $44,494) as the Company cut overhead expenditures and focused on exploration and evaluation of the Company's mineral properties.
- Professional and consulting fees increased by $61,196 to $134,862 (2014 – $73,666) primarily due to the appointment of the Director of Corporate Development.
- Share-based payments decreased by $21,096 to $8,311 (2014 - $29,407) from vesting stock options issued in prior year.
- Gain on settlement on accounts payable and accrued liabilities of $22,668 (2014 - $Nil) relates to certain venders agreeing to settle on outstanding payables.

LIQUIDITY AND CAPITAL RESOURCES

The Company, an exploration-stage company, has sustained operating losses during recent fiscal years and currently has negative cash flow. The Company had a working capital deficiency of $1,063,789 as at June 30, 2015 (December 31, 2014 - $1,627,510).

During the period ended June 30, 2015, the Company completed a non-brokered private placement for gross proceeds of $1,050,000 and issued shares for debt to settle $502,428 of accounts payable and accrued liabilities. At present, the Company has no operations that generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits, raise required funding through future equity issuances or debt financing, asset sales or a combination thereof. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Company relies on equity financings and the exercise of options and warrants to fund its exploration activities and its corporate and overhead expenses. Many factors influence the Company's ability to raise funds, including the health of the natural resources capital markets, the climate for mineral exploration investment, the Company's track record, Egypt's investment climate, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

The Company's operations to date have been financed by issuing common shares and convertible debentures. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. The current working capital deficiency position casts significant doubt as to its ability to continue as a going concern. The Company has limited financial resources, limited sources of operating cash flow and no assurance that additional financing will be available for further development of its projects. The Company has been successful in the past in obtaining financing through equity; however, there is no assurance that the Company will succeed in arranging all necessary financing in the future or on terms satisfactory to the Company.

Based on the cash position on hand as at the date of this MD&A and expected cash flow requirements of the Company for the next twelve months, management believes that the Company will require additional funds to meet its present operational commitments and working capital needs.

SUBSEQUENT EVENT

Subsequent to June 30, 2015, the Company issued 2,260,000 common shares at a value of $0.125 per common share to settle $282,500 of debt owed to the CEO of the Company.

PROPOSED TRANSACTIONS

There are no unannounced proposed transactions at the date of this report.

OUSTANDING SHARE DATA

At the date of this report the Company has 44,128,649 issued and outstanding common shares, 1,746,346 outstanding stock options, and 11,068,000 outstanding warrants.

TRANSACTIONS WITH RELATED PARTY AND BALANCES

The following entities are classified as related parties due to the following:

Related party	**Relationship**
A. Alexander Massoud	Director and CEO
Bill Koutsouras	Director
Giles Baynham	Director and Corporate Development Director
Mark Campbell	Director
Justin Blanchet	CFO
Kouts Capital	Consulting company for Bill Koutsouras
Red Fern Consulting Ltd.	Consulting company for Justin Blanchet
Rikyu Sung Kapital Inc.	Consulting company of a close family member of CEO

Key management personnel compensation

The Company's compensation committee is reviewing remuneration for the Board of Directors, senior management, employees and consultants, including those listed below, and may make a retroactive change to accrued fees in the upcoming quarter.

Paid or accrued $38,758 (2014 - $34,309) in professional and consulting fees and $116,275 (2014 - $102,927) in exploration and evaluation expenditures paid to the CEO of the Company. As of June 30, 2015, the Company owes the CEO $415,218 (December 31, 2014 - $576,565) of which $282,500 was settled subsequent to year-end.

Paid or accrued $7,500 (2014 - $8,175) in professional and consulting fees and $22,500 (2014 - $24,525) in exploration and evaluation expenditures paid to Red Fern Consulting Ltd.

Paid or accrued $60,000 (2014 - $Nil) in professional and consulting fees to the Corporate Development Director.

Paid or accrued $35,500 (2014 - $29,000) in professional and consulting fees to non-executive directors.

Vested stock options with a fair value to $12,786 (2014 - $21,413) to management and the board of directors.

Related party balances and transactions

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $562,369 as at June 30, 2015 (December 31, 2014 – $626,179). These amounts are unsecured, non-interest bearing and payable on demand.

During the year ended December 31, 2014, the Company borrowed $84,685 from two directors of the Company. The loan was unsecured, non-interest bearing, and was payable within 12 months. The Company repaid $50,000 and settled the balance during the period ended June 30, 2015 by issuing common shares (Note 7).

During the period ended June 30, 2015, $22,461 (December 31, 2014 - $66,975) was payable to a company controlled by a close family member of the CEO.

COMMITMENTS

As at the date of this MD&A, the Company has no undisclosed commitments or contingencies.

As discussed in Note 6 of the Company's condensed consolidated interim financial statements for the period ended June 30, 2015, the Company issued $215,000 2-year 12% compounded semi-annually convertible debentures on May 29, 2014. The principal amount and the interest are payable on May 29, 2016.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities and convertible debentures. The fair value of the Company's other receivables, accounts payable and accrued liabilities, and convertible debentures approximate their carrying value, which is the amount disclosed on the balance sheet dates due to their short-term maturities or ability of prompt liquidation. The Company's other financial instrument, cash, under the fair-value hierarchy, is based on level-one quoted prices in active markets for identical assets or liabilities.

Strategic and operational risks are risks that arise if the Company fails to identify opportunities and/or threats arising from changes in the markets in which the Company operates. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory developments and competitor actions. These risk factors are discussed in the "Risks and Uncertainties" section of this MD&A.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's current other receivable balance consists of amounts outstanding on Input Tax Credits from Canada Revenue Agency. The Company's exposure to credit risk is minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2015, the Company had a cash balance of $42,889 (December 31, 2014 - $18,922) to settle current liabilities of $1,144,547 (December 31, 2014 - $1,660,332). All accounts payable and accrued liabilities fall due within the next 12 months.

The Company does not have sufficient working capital to meet its short-term business requirements. See "Liquidity and Capital Resources" section for a further commentary on the Company's liquidity risks. Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's operations are in Canada and Egypt. The international nature of the

Company's operations results in foreign exchange risk as transactions are denominated in foreign currencies, including Egyptian Pounds, and US Dollars. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities.

Market risk is the risk that the fair values or future cash flows of the Company will fluctuate because of changes in market commodity rates. The Company's efforts are focused on the exploration and, if warranted, development of mineral resources. As such, the Company's future cash flows and valuation of its future mineral assets will be exposed to market risk on the price fluctuations of the commodity rates of these minerals.

OUTLOOK

The Company believes that exploration potential exists in their large and highly prospective Egyptian land package. Even though the Company has managed to publish an initial inferred-mineral-resource estimate at the Abu Marawat deposit and has had positive initial drilling and trenching results at the Hamama deposit during 2012 and 2014, positive sampling results at the Bohlog and Sir Bakis Prospect and identified a 40km gold-copper mineralized trend within the Abu Marawat Concession in 2014, the continued improvement in the political and investment climate in Egypt are viewed positively by the Company, though we remain cautious about the overall market conditions for mineral exploration as it relates to the Company's ability to raise funds to advance key projects in Egypt during the fiscal year.

RISKS AND UNCERTAINTIES

In addition to the fact that all current and proposed exploration and mining activities of the Company are situated in Egypt (refer to the *Corporate Overview* section in this MD&A for discussion of foreign and political risk) and the usual risks associated with an investment in a mineral exploration and development company, the directors of the Company believe that, in particular, the risk factors set out below should be considered. It should be noted that this list is not exhaustive and that other risk factors may apply. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors of the Company are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment. An investment in the Company may not be suitable for all investors.

The market price of the Common Shares may be volatile

The market price of the Common Shares may experience significant volatility. Numerous factors, including many over which the Company has no control, may have a significant impact on the market price of the Common Shares, including, among other things:

- results of exploration programs;
- the Company's financial condition and ability or perceived ability to raise funds in the future;
- price fluctuations in gold and other commodities;
- political unrest in Egypt and more broadly, Africa;
- changes in investor sentiment towards the Company or towards the junior mining sector;
- changes in estimates, recommendations, or other material comments by securities analysts relating to the Company, its competitors or the industry in general;
- announcements by other companies in the industry relating to their operations, strategic initiatives, financial condition or financial performance or to the industry in general;
- announcements of acquisitions or consolidations involving industry competitors or industry suppliers;
- addition or departure of the Company's executive officers;
- sales or perceived sales of additional Common Shares; and
- market response to the work stoppages and unrest at properties near to or adjacent to the Company's mineral assets.

In addition, the stock market in recent years has experienced extreme price and trading volume fluctuations, many of which have been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations may adversely affect the price of the Common Shares, regardless of the Company's operating performance.

Need for additional financing

The Company will require additional financing, including through the sale of assets and/or the issue and sale of equity or debt securities if various events alone or in combination occur. No assurance is given that the Company will be able to obtain necessary financing in a timely manner or on acceptable terms, if at all.

The Company will require significant capital in order to develop its concessions and to fund its operating costs. The Company currently has no revenues from operations and is currently wholly reliant upon external financing to fund all of its capital requirements. The Company will require additional financing from external sources to meet such requirements. No assurance is given that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations, and liquidity, and could require the Company to cancel or postpone planned capital investments.

Limited operating history

The Company has a limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. No assurance is given that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in the light of its early stage of operations. The Company has no history of mining operations, and gives no assurance that it will successfully produce gold, generate revenue, operate profitably or provide a return on investment in the future. Other factors maintained in this section may also prevent the Company from successfully operating a mine.

Future issuances of Common Shares or equity-related securities may depress the trading price of the Common Shares

Any issuance of equity securities could dilute the interests of existing shareholders and could substantially decrease the trading price of the Common Shares. The Company may issue equity securities in the future for a number of reasons, including to finance its exploration program and operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions) and to satisfy the Company's obligations upon the exercise of outstanding warrants or options or for other reasons. Sales of a substantial number of Common Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Common Shares, and impair the Company's ability to raise capital through the sale of additional equity securities. The Company cannot predict the effect that future sales of the Common Shares or other equity-related securities would have on the market price of the Common Shares.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions

The Company conducts its mining, development and exploration activities in Egypt. The Company's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties to honour contractual relations, corruption, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold or ore concentrate exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the government of Egypt or by its court system. These risks may limit or disrupt the Company's operations, restrict the movement of funds or result in the deprivation of contractual rights, revocation of mineral rights, or the taking of property by nationalization or expropriation without fair compensation.

The economy and political system of Egypt is currently unstable and should be considered by investors to be less predictable than those in countries in which the majority of investors are likely to be resident. The possibility that the current, or a future, government may adopt substantially different policies, take arbitrary action which might restrict or halt exploration activities, halt production (if commenced), extend to the re-nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's results of operations and financial condition.

External perceptions of Egypt with respect to political and economic instability and civil unrest may have an adverse effect on the market value of the Company's shares or the ability of the Company to attract suppliers, contractors and skilled workers to its operations in Egypt, which could have an adverse impact on capital projects and on-going operations, which in turn could have a material and adverse effect on the Company's business, results of operations, financial performance and prospects.

The Company depends on two mineral projects without a known body of commercial ore or reserves

The Abu Marawat deposit and the Hamama deposit in the Abu Marawat Concession are currently the Company's only material properties, both of which are in the exploration stage without a known body of commercial ore or reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of these mineral deposits will result in discovery of commercial quantities of ore. Any adverse development affecting the progress of the Abu Marawat Concession or rights of the Company to develop the mining concession may have a material adverse effect on the Company's objectives, financial condition and results of operations.

The Company's title to mineral rights could be challenged

The acquisition and retention of title to mineral rights is a detailed and time consuming process. Title to, and the area of, mineral interests may be disputed or challenged. The Company's right to explore for, mine, produce and sell gold from the Abu Marawat Concession is based on the Abu Marawat Concession Agreement which was declared into law on June 28, 2007 (the "Abu Marawat Concession Agreement"). Should the Company's rights under the Abu Marawat Concession Agreement not be honoured or be unenforceable for any reason, or if any material term of the Abu Marawat Concession Agreement is unilaterally changed or not honoured, including the boundaries, the Company's ability to explore and produce gold or associated minerals in the future would be materially and adversely affected, and this would have a material and adverse effect on the Company's financial performance and results of operations.

The Company's right to explore, develop, mine and sell gold and associated minerals under the Abu Marawat Concession Agreement may be terminated if the Egyptian government determines that the Company has submitted material false statements to the Egyptian government; that the Company has assigned any interest to any unrelated party without the written consent of the Egyptian government; that the Company has not complied with any final decisions reached as a result of provisions in the Abu Marawat Concession Agreement with respect to disputes and arbitration; that the Company has intentionally extracted any mineral other than gold and associated minerals authorized by the Abu Marawat Concession Agreement without the approval of the Egyptian government; or that the Company has committed any material breach of the Abu Marawat Concession Agreement. The Company cannot guarantee that the Egyptian government will not deem any of the above events to have happened, arbitrarily or not. Any claim of such events occurring could result in termination of the Abu Marawat Concession Agreement.

Under the Abu Marawat Concession Agreement, all land in the Abu Marawat Concession may become the property of the Egyptian Mineral Resources Authority ("EMRA"). Title to the fixed and movable assets are also required to be transferred by the Company to EMRA as soon as their costs are recovered by the Company. Should the relationship between EMRA and the Company break down, the Company will not have legal title to the land at the Abu Marawat

Concession nor the fixed or movable assets, which could result in removal of Corporation personnel from the concession area and/or prevention from using the fixed and moveable assets, which could result in delays of operations.

Precious- and base-metal exploration projects may not be successful and are highly speculative in nature

The exploration for and development of precious and base metals involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a precious- and base-metal deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral resources or reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a precious- and base-metal deposit 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 the reduction or the elimination of diesel, fuel and energy subsidies, water access, prices, taxes, royalties, land tenure, land use, importing and exporting of precious metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search and evaluation of precious- and base-metal deposits will result in discoveries of commercial quantities of such metals.

Mining operations generally involve a high degree of risk

Mining exploration activities and operations are subject to all the hazards and risks normally encountered in the exploration for and development and production of precious metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, variations in grade, deposit size, density and other geological problems, hydrological conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and adverse weather conditions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Should any of these risks and hazards affect any of the Company's proposed exploration activities it would have a material and adverse effect on the financial condition, results of operation, and cash flows of the Company.

The Company may experience regulatory, consent or permitting delays

The business of mineral exploration, project development, mining and processing is subject to various national and local laws and plans relating to: permitting and maintenance of title; environmental consents; taxation; employee relations; heritage / historic matters; health and safety; royalties; land acquisition; and other matters. There is a risk that the necessary permits, consents, authorizations and agreements to implement planned exploration, project development, or mining may not be obtained under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

The Company is an exploration-stage company without any current mineral resources or mineral reserves. Should the Company be successful in its exploration programs in identifying mineral resources or mineral resources and reserves, feasibility studies may be used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit including the achievement of satisfactory mineral reserve estimates (of which the Company currently has none), the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future gold prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result the Company cannot give assurance that its development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated, thereby impacting on the economic viability of the project.

The Company's properties are subject to environmental risks

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect the Company's profitability, results of operations and financial condition.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

The Company relies on its management team and outside contractors, and the loss of one or more of these persons may adversely affect the Company

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management and outside contractors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. The Company does not have in place formal programs for succession of management and training of management, nor does it hold key person insurance on these individuals. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect the Company's operations and financial condition.

The Company's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

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

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

Volatility in precious- and base-metal prices may affect the future production, profitability, financial position and financial condition of the Company

The development and success of the Abu Marawat Concession will be dependent on the future price of precious and base metals. These prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange 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 prices of precious and base metals have fluctuated widely in recent years, and future serious price declines could cause continued development of, and commercial production from, the Company's properties to be impracticable or uneconomic. Depending on the prices of precious and base metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on prices of precious and base metals that are adequate to make these properties economically viable.

Substantial expenditures are required to establish mineral reserves

Substantial expenditures are required to establish mineral reserves. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices and government regulations, including environmental protection. Many of these factors are beyond the control of the Company. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the properties as described herein will result in the discovery of commercial quantities of ore.

Currency fluctuations may affect the costs that the Company incurs in its operations

The revenue from financing activities will be received in Canadian dollars while a significant portion of its operating expenses will be incurred in United States dollars, Egyptian pounds and other foreign currencies. From time to time, the Company will incur capital expenditures that are denominated in foreign currency. The depreciation of the Canadian currency as against the currencies that the Company operates with could materially and adversely affect the Company's profitability, results of operation and financial position.

Conflicts of interest may affect certain directors and officers of the Company.

Senior officers and directors of the Company own or control approximately 18% of the outstanding Common Shares. Certain conflicts may arise between such individuals' interests as members of the management team and their interests as shareholders. Such conflicts could arise, for example, with respect to the payment of salaries and bonuses and similar matters. The Company's directors and officers are subject to fiduciary obligations to act in the best interest of the Company.

Any of the risks and uncertainties described above and in the above-noted documents could have a material adverse effect on the Company's business and financial condition and accordingly, should be carefully considered in evaluating the Company's business.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheets arrangements.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com