ALEXANDER NUBIA INTERNATIONAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SIX MONTH PERIOD ENDED JUNE 30, 2013

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 three and six months ended June 30, 2013. This MD&A supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the period ended June 30, 2013, 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 unaudited condensed consolidated inter financial statements for the period ended June 30, 2013 and the annual audited financial statements for the year ended December 31, 2012 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 20, 2013.

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 & RECENT POLITICAL DEVELOPMENTS

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 its 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 currently focused on exploration within the Abu Marawat Concession, which contains the Company's two main deposits, which are the Company's material projects: the Abu Marawat mesothermal 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 volcanogenic massive sulphide ("VMS") deposit. 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. The properties are 35 kilometres apart, are within 30 kilometres of a highway, railway, 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 that are economically recoverable.

Since 2007, the Company has been conducting its exploration and development activities entirely in Egypt, which as of August, 2013, is still in a state of political and economic uncertainty. In January 2011, a revolution in Egypt resulted in the removal of the country's president and the disbandment of parliament by the military council. The transition to civil rule began with a democratically elected parliamentary government in November 2011 and concluded in January 2012.

In June 2012, the Freedom and Justice Party, which is affiliated to the Muslim Brotherhood, backed President Mohamed Morsi in becoming Egypt's first democratically elected civilian president. Leading up to the presidential elections, Egypt was primarily governed by the Supreme Council of the Armed Forces ("SCAF") and the appointed Prime Minister El-Ganzouri, along with his appointed ministers.

Since taking office, President Morsi has since appointed a Prime Minister, Vice President and cabinet, inclusive of what is perceived by some as a controversial decision to: (a) require the retirement of two SCAF military generals, Field Marshall Tantawi and Sami Anan, and replacing them with Major General Abdel Fattah al-Sisi and Sedqi Sobhi Sayyid Ahmed, respectively; (b) issue an addendum that cancelled the SCAF's ability to have a legislative role and transferred the legislative authority to the Office of the President; and (c) transferred judicial authority in November, 2012, on a temporary basis to the Office of the President until a new Constitution was drafted and placed for a national referendum in December, 2012. Since approval of the new Constitution, the Shura Council is provided with legislative authority until a new parliament is elected. Parliamentary elections were set for April, 2013, though in March, 2013, the Egyptian courts ruled that the new elections law approved by the Shura Council was unconstitutional, thereby delaying possible Parliamentary elections. Since then, the government has revised the date of the Parliamentary election to October, 2013. In June 30, 2013 in conjunction with deteriorating economic factors, the popular movement called the "Tamarod" resulted in a military-led replacement of president Morsi on July 4, 2013 by military appointed President, Adly Mansour, head of the Supreme Constitutional Court. Since President Mansour's appointment, the constitution has been suspended, a new cabinet has been formed in addition to the replacement of a number of governors. The interim government has outlined a transitional road map that includes amendments to the constitution, followed by a referendum, parliamentary elections and then presidential elections.

Since the events of July 3, 2013, the Muslim Brotherhood rejected the military-backed interim government and have called for the reinstatement of President Morsi. Demonstrations by the Muslim Brotherhood are on-going, which are primarily focused in two areas of Cairo. International diplomacy, as well as domestic efforts have attempted to diffuse the situation, and as of August 2013 these sit-ins were dispersed leading to significant escalation in violence and it is unclear if this will lead to further confrontation between the government and the pro-Morsi demonstrators. Currently the ex-president in addition to a number of senior Muslim Brotherhood figures are facing a variety of criminal charges. It is unclear what, if any, additional action will be taken by the Egyptian courts, the military or further social unrest as a consequence of further interim government policies, inactions or decisions.

Impacting the political transition is the state of the Egyptian economy. Egypt's tourist industry is a major source of foreign currency and is a significant economic driver. The tourist industry has been negatively impacted by the unstable political environment and it is uncertain when it will recover to previous levels. In addition, an increase in unemployment and fuel rationing depleting foreign currency reserves of the Central Bank, and on-going government subsidies for bread, gasoline and diesel have negatively impacted the Government of Egypt's budget. This threat has been partially abated by the financial commitments from Saudi Arabia, Kuwait and United Arab Emirates, who have pledged a total of $12 billion to the Egyptian government. The current economic situation, combined with persistent security problems and on-going events in Northern Sinai and Cairo, may lead to further social unrest. Though the interim government has pledged a democratic process, the near future of transition to a democratic government remains uncertain.

Future political and economic conditions in Egypt may result in the Government of Egypt adopting different policies respecting foreign development and ownership of mineral resources. Recently, the validity of concession agreements between a certain mining company with projects in Egypt and the Egyptian courts has been challenged by a non-government party. Although the Company is not aware of any legal challenge to its concession agreements, such a challenge could occur in the future. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect the Company's ability to explore and develop those properties for which it has obtained mineral exploration rights to date as well as to undertake exploration and development activities in properties it may wish to acquire in the future.

The Company believes that given the state of the Egyptian economy and need for foreign investment, the Government of Egypt supports the development of the natural resources sector. However, the political outlook still remains uncertain and the Company's financial performance could be adversely affected by any further political upheaval or associated events.

The Company believes that its mineral tenements are secure on the basis they were decreed into national law by an act of Parliament and a Presidential Order. This is the same practice as taken by oil and gas companies operating in Egypt. However, there can be no assurance that presidential decrees will be upheld under the new government. The Company operates under auspices of the Ministry of Petroleum, which historically has been a supporter of foreign oil & gas exploration and development companies since 1902.

On March 12, 2013, the Company received a joint decision (Decision No. 26/2013) from the Ministry of Petroleum and EMRA in response to an application made by the Company on April 4, 2011 for force majeure. The application sought to extend the anniversary date of Phase II-A (being July 28, 2012) for the Abu Marawat concession and Phase I (being April 18, 2011) for the Fatiri concession based on the delays associated with the political transition and operating environment in Egypt and on global market conditions. The decision extended the Phase II-A for a period of one year from July 28, 2012 on the Abu Marawat concession. At the end of the one-year extension for Phase II-A, the Company is required to enter into Phase II-B which requires that, over a two-year period, ANI spend a minimum of US$3 million less expenditures in excess of the Phase II-A financial obligations. The decision also extended the Phase I anniversary date to six months after receipt of the military permit for the Fatiri concession. As of the date of this MD&A, the military permit has not been received for Fatiri. Pursuant to the receipt of the military permit, the Company will be required to fulfill its exploration and work schedule on the Fatiri Concession. At the end of the additional six-month extension for Phase I, the Company is required to enter into Phase II-A, which includes financial and technical obligations. There can be no assurance that EMRA will provide additional extensions nor can there be any assurances that EMRA will not consider the Fatiri Concession Agreement in default. As of the date hereof, the Company has not received any such default notice.

TECHNICAL INFORMATION AND MINERAL RESOURCES

Dr. John Payne, VP Exploration of the Company, is the person responsible for preparation of the technical information contained in this MD&A and is a "Qualified Person" within the definition of NI 43-101. Dr. Payne has reviewed and approved the technical information in this MD&A.

Certain disclosure in this MD&A of scientific or technical information for the Company's Abu Marawat and Hamama mineral projects is based on the 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. Inferred mineral resources 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 speculative 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

Abu Marawat concession is an exploration license that the Company can retain by law for a period of five years with two possible extensions for two more years each before it must declare an economic deposit, at which time the Company can apply for an exploitation permit. At the end of each of the first and third years of exploration, the original concession area must be reduced by 25%. At the end of the fifth year, 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.

Presently, the Company is focused on exploration of the Hamama VMS deposit. A private placement was completed in October 2012 to support an initial 1,500-metre diamond drilling program to test part of the Main VMS Horizon. Relogging by the Company's senior geologist in October, 2012, of a vertical section of drill holes (AHA-3, -4 and -5) in the Central Zone produced an updated interpretation, confirming continuous structurally overturned semi-massive sulphide mineralization at the stratigraphic top of an extensive series of brecciated and silicified felsic domes. A drill hole drilled 20 metres down dip along that section below what had been the deepest intersection (AHA_5) showed continuity of the grade and thickness of the mineralized zone. The newly discovered Western VMS Zone contains exposed mineralized gossan and ankerite-rich exhalite over a strike-length of 1,100 metres. The core of the Western VMS Zone, identified by shallow and deep trenching, is 650 metres along strike and averages 54.8 metres wide, with a maximum width of 114 metres. Drilling beneath the core zone indicates that the highly anomalous gold and silver results continue in the oxidized "gold-silver cap" to a depth of 30-40 metres, and that stratigraphically beneath the oxidized cap and on its flank is a series of strongly altered and brecciated felsic domes that in their upper 50 metres contains intervals of similar strongly anomalous mineralization in gold and silver as well as significant values in zinc and locally lead or copper. Management of the Company is encouraged by these results, particularly in consideration that the deposit is exposed at surface and until recently much of it had not been sampled systematically.

Also exposed on surface in the stratigraphic footwall of the Main VMS Horizon is a broad mineralized and altered stringer zone (up to 700 metres thick) in felsite and andesite. A few smaller VMS horizons are scattered in the footwall stringer zone. The footwall zone beneath the Western VMS Zone also contains a band of sill-like felsic intrusions into andesite which are bordered by thin skarn deposits dominated by specular hematite and quartz; these intrusions are interpreted as sub-volcanic bodies from the same magmatic source as the felsic domes on surface. A geophysical survey has identified strong coincident chargeability and magnetic anomalies in the hanging wall of the Main VMS horizon on the flank of a major felsic dome above the Central and Eastern VMS Zones.

Hamama Deposit Highlights

Initiated a 1,450-metre diamond drill program to test for the:

- Depth-extent of the at-surface gold-silver cap in the Western VMS zone
- Continuity of grade and width of zinc-gold rich mineralization at depth in the Central VMS zone

The results of this program are:

- Mapping and drilling confirm that the Main VMS horizon, previously interpreted as three separate lenses, is one mineralized unit that extends 3,000 metres along strike; it consists of zones of semi-massive to massive sulphides and zones of ankerite-rich exhalite; it is structurally moderately overturned, remains open to the east and down-dip, and on surface is up to 114 metres wide.

- Drilling and deep trenching confirm that in the Western VMS Zone a high-grade gold-silver oxidized cap extends over 650 metres along strike; based only on results from deep trenches, the zone averages 43.8 metres wide with a grade of 2.05 g/t gold and 44.7 g/t silver.

- Drilling confirms a broad zone of semi-massive sulphide mineralization in a strongly altered felsic dome below the gold-silver cap; the zone is up to 75.6 metres in width and this intersection averages 0.92 g/t gold and 50.7 g/t silver; it contains a core 8 metres wide that averages 5.52 g/t gold and 325 g/t silver with 0.3% copper and 1.9% zinc.

- The Central VMS zone is 640 metres long; drilling and surface trenching intersected a continuous semi-massive to massive sulphide zone, which on one vertical cross-section is 11-14 m thick and, in the deepest hole (AHA_20) intersected 11.3 metres of 5.7% zinc, 0.19% copper, 1.18 g/t gold and 69.8 g/t silver; this hole is 19 metres down-dip from the previous deepest intersection.

- Stringer-style alteration zones in the stratigraphic footwall of the VMS horizon commonly have highly anomalous values of zinc and moderately anomalous values of gold, silver, and copper; grades in the footwall stringer zone commonly are highest near the contact with the VMS horizon.

- Preliminary petrographic analysis suggests reasonable metallurgy and normal metal recoveries.

- Compared to other major VMS deposits in the Arabian-Nubian Shield (Bisha, Hassai and Jabal Sayid), the Main VMS Horizon, extending 3,000 meters along strike, is one of the largest.

The potential quantity and grade of the mineral occurrence at the Hamama deposit is conceptual in nature. 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 and December 11, 2012 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 Rosco 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. See below under "Gold and Gold-Equivalent Calculation".

Gold and Gold-Equivalent Calculation

Management of the Company has used the following to determine the inferred mineral resource of 397,000 ounces of gold plus gold-equivalent:

As disclosed in the Abu Marawat Technical Report, 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.

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.

Abu Marawat Gold-Copper Deposit Highlights

- Abu Marawat is a mesothermal vein system consisting of a series of subparallel, subvertical veins up to several metres wide that contain values in gold, silver, copper, and zinc in a host rock of altered felsite and rhyolite. The vein system is near and subparallel to a major warp in a regional fault, suggesting that the tension zone into which the veins were emplaced is related to the formation of that warp. Spatially associated with the axis of the vein system is a discontinuous leucocratic high-level felsic intrusion which may be related genetically to the hydrothermal solutions from which the veins were formed.

- Mesothermal vein deposits commonly have a vertical extent of mineralization of over 1,500 metres.
- A few sub-parallel veins of the system with no surface expression were intersected by drilling.
- 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.
- Deep surface 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.
- 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.
- Preliminary petrographic analysis and historical tests suggest reasonable metallurgy and normal metal recoveries.

RESULTS OF OPERATIONS

Selected Information

Results of Operations for the Six Months Ended June 30, 2013 compared with the Six Months Ended June 30, 2012

The net loss for the period decreased by $541,393 to $663,943 (2012 – $1,205,336). This decrease in net loss is largely due to decreased activity as compared to prior period. Individual items are as follows:

- Exploration and evaluation expenditures decreased by $454,435 to $331,331 (2012 - $785,766) as a result of decreased activity as compared to prior period due to financing restraints.
- Finance expense of $30,745 (2012 - $2,150) is due to the convertible debentures.
- Office and administration decreased by $53,580 to $85,375 (2012 - $138,955) due to decreased activity as compared to prior period.
- Professional and consulting fees decreased by $58,687 to $151,932 (2012 – $210,619) due to decreased activity as compared to prior period and the Company cutting costs of professionals.

Cash Flows for the six month period ended June 30, 2013 compared to the six month period ended June 30, 2012

Cash outflows from operating activities decreased by $835,965 to $366,750 (2012 – $1,202,715) due to decreased activity and the company.

Cash inflows from investing activities of $78,017 (2012 - $Nil) due to the transfer of restricted cash to EMRA.

Net cash inflow from financing activities increased by $14,462 to $229,462 (2012 - $215,000) is from the private placement completed during the period less share issuance costs as compared to a smaller raise from the issuance of convertible debentures in the prior year.

SUMMARY OF QUARTERLY RESULTS

	2013		2012				2011	
	Q2	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	235,307	428,636	896,200	364,344	429,957	775,379	2,076,556	1,089,195
Basic and diluted net loss per share	0.00	0.01	0.01	0.00	0.00	0.01	0.02	0.01

Results of Operations for the Three Months Ended June 30, 2013 compared with the Three Months Ended June 30, 2012

The net loss for the period decreased by $194,650 to $235,307 (2012 – $429,957). This decrease in net loss is largely due decreased activity as compared to prior period. Individual items are as follows:

- Exploration and evaluation expenditures decreased by $93,713 to $98,894 (2012 - $192,607) as a result of decreased activity as compared to prior period due to financing restraints.
- Finance expense of $15,616 (2012 - $2,150) is due to the convertible debentures.
- Office and administration decreased by $54,871 to $36,585 (2012 - $91,456) due to decreased activity as compared to prior period.
- Professional and consulting fees decreased by $75,106 to $65,061 (2012 – $140,167) due to decreased activity as compared to prior year and the Company cutting costs of professionals.

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 $1,086,022 at June 30, 2013 (working capital deficiency of $896,093 as at December 31, 2012).

The Company expects to obtain financing in the future primarily through further equity or debt financings. 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 EVENTS

There were no material events subsequent to June 30, 2013.

OUSTANDING SHARE DATA

At the date of this report the Company has 118,571,566 issued and outstanding common shares, 7,046,332 outstanding stock options, and 7,400,000 outstanding warrants.

Performance Shares

On June 27, 2013 the Company received disinterested shareholder approval to amend the milestone dates as below for the allotment of 10,744,446 ANI common shares (the "ANI Performance Shares"), which will become issuable to certain officers, employees and consultants of the Company on the achievement by the Company of certain milestone events.

These shares are not considered earned unless the milestones are achieved. The details for amounts and the requisite milestones are as follows:

Number of common shares allotted	Milestone for issuance
5,372,223	The Company achieving a Mineral Resource of gold or gold equivalents of at least 1.0 million ounces on or before February 28, 2014
2,686,111	The Company achieving a Mineral Resource of gold or gold equivalents of at least 1.5 million ounces on or before August 28, 2014
2,686,112	The Company achieving a Mineral Resource of gold or gold equivalents of at least 2.0 million ounces on or before February 28, 2015
10,744,446	

To date, no milestones have been reached; therefore no shares have been issued. The progress of the Company's exploration program to date has been insufficient to indicate that there is any likelihood of these milestones being achieved. The Company has not recorded any related expense or obligation as of June 30, 2013 or December 31, 2012.

TRANSACTIONS WITH RELATED PARTY AND BALANCES

Key management personnel compensation

The condensed consolidated interim financial statements include the financial statements of Alexander Nubia International Inc. and its 100% owned subsidiaries.

a) Key management personnel compensation

The remuneration of directors and other members of management were as follows:

	For the six months ended	
	June 30, 2013	June 30, 2012
Short-term employee benefits – management compensation	$ 173,762	$ 192,025
Short-term employee benefits – directors' fees	43,000	18,500
Share-based payments – management compensation	9,650	76,000
Share-based payments – directors' fees	7,497	-
	$ 233,909	$ 286,525

In accordance to IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

b) Related party balances and transactions

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $290,770 as at June 30, 2013 (December 31, 2012 – $339,113). These amounts are unsecured, non-interest bearing and payable on demand.

During the period ended June 30, 2013, consulting fees of $22,500 were paid or accrued to a company controlled by a close family member of the CEO (March 31, 2012 – $22,500).

COMMITMENTS

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

As discussed in Note 5 of the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013, the Company issued $215,000 2-year 12% compounded semi-annually convertible debentures on May 29, 2012. The principal amount and the interest are payable on May 29, 2014.

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, 2013, the Company had cash and cash equivalents balance of $100,386 (December 31, 2012: $237,674) to settle current liabilities of $1,204,930 (December 31, 2012: $1,164,739). 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, the continuing political situation in Egypt and challenging market conditions globally will have a material impact on the Company's ability to raise funds that are required to advance its key projects in Egypt during the coming 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;
- gold and other commodity price fluctuations;
- political unrest in Egypt and more broadly, Africa;
- changes in investor sentiment towards the Company or towards the junior mining sectors;
- 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. There can be no assurance 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. There can be no assurance 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 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. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no history of mining operations, and there is 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.

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 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 will be 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 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 affect 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.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

Change to accounting policies

The Company prepared the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013 follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2012, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company's interim and annual financial statements commencing January 1, 2013.

- IAS 1 Presentation of Financial Statements ("IAS 1")
- IAS 27 Separate Financial Statements ("IAS 27")
- IAS 28 Investments in Associates and Joint Ventures ("IAS 28")
- IFRS 7 Financial Instruments: Disclosures ("IFRS 7")
- IFRS 10 Unaudited interim condensed consolidated financial statements ("IFRS 10")
- IFRS 11 Joint Arrangements ("IFRS 11")
- IFRS 12 Disclosure of Interests In Other Entities ("IFRS 12")
- IFRS 13 Fair Value Measurement ("IFRS 13")

The additional disclosure concerning the impact of the above new accounting standards and amendments which the Company adopted during period ended June 30, 2013 is provided in the Company's unaudited condensed consolidated interim financial statements for period ended June 30, 2013 (Note 2).

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended June 30, 2013:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets.[(i)]
- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities. [(ii)]

(i) Effective for annual periods beginning on or after January 1, 2015
(ii) Effective for annual periods beginning on or after January 1, 2014

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

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