This "Management's Discussion and Analysis" has been prepared as of November 27, 2014 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2014.

Forward-looking Information

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Simba Energy. (the "Company" or "Simba Energy" or "SMB") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Simba Energy exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Simba Energy to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The Company

Simba Energy is a Canadian-based company, incorporated under the laws of the Province of British Columbia. On February 18th, 2010 Gold Star Resources Corp. announced it had received approval from the TSX Venture Exchange to change the Company's name to Simba Energy Inc. The stock symbol of the Company was changed to "SMB" and the Company's CUSIP number was changed to CUSIP 828572107. The corporate name change and symbol change took effect February 19, 2010. The website of the Company is Simbaenergy.ca.

SMB's strategy is to focus on oil and gas opportunities in unexplored onshore frontier basins of Africa. Using expertise and affiliations the Company has pursued and secured strategic assets that demonstrate high potential for drilling and production operations. Once secured, SMB utilizes a farm-out strategy to escalate and progress exploration of the assets before commencing exploration drilling.

Oil and gas properties

(a) Kenya

On August 3, 2011 the Company was awarded a Production Sharing Contract by the Government of Kenya covering Block 2A in Kenya. This PSC comprises 7,802 square kilometres in northeast Kenya.

Block 2A overlies the southern tip of the Mandera Basin while the southwest corner of the block extends into the Anza Basin. The Mandera Basin is Permo-Triassic to Tertiary in age with a sediment thickness of 10,000 meters. Potential source rock interval is mid Jurassic-Lower Cretaceous and comparable with the larger Mandera-Lugh basin in Ethiopia and Somalia.

In the Anza basin lower Cretaceous reef structures have been mapped with a potential reservoir thickness of 300m – 500m. Source rock is likely Lower Cretaceous.

Present 2D seismic coverage, although regional in nature, identified numerous structures and a major stratigraphic pinch-out. The limited seismic coverage available indicates a stable stratigraphic sequence with some very good exploration leads

In December 2011, the work program for year one commenced with a re-interpretation of existing gravity and magnetic data as well as the reprocessing of select 2D lines. The Company also obtained copies of all existing 2D seismic lines (800 kilometers) carried out by Chevron and Amoco. This reprocessing was completed by March 2012.

In June 2012, the Company engaged GeoDynamics Research S.R.L. of Italy to conduct a passive seismic survey covering 750 square kilometers with 250 MPS (measuring points) on 2km spacing in order to identify and evaluate areas with hydrocarbon potential.

In July and August, 2012, the Company increased its coverage area for its passive seismic survey from 750 sq. kms to about 4,000 sq. kms, utilizing 218 data/listening stations, and in addition added a geochemical survey during this phase of the fieldwork including the collection of 675 geochemical samples on Block 2A.

This first phase of passive seismic was completed in August 2012, and the report has now confirmed P1 to be comprised of two distinct and sizeable leads with excellent hydrocarbon response lying east and SSE of the city of Wajir. The first lead in P1 with an area of 29 km2 demonstrated the highest level of hydrocarbon seismic energy interpreted amongst all seven potential leads identified by the survey. The second lead is over 100km2 in size and had a good response for hydrocarbon potential. This find lies from 8km to 20km to the SW.

On May 13, 2013, the Company announced that it had signed a memorandum of understanding (the “MOU”) to farm-out a 66% interest and operatorship of Block 2A, onshore Kenya (“Block 2A”). This agreement was terminated in December 2013 when the parties failed to agree on a mutually acceptable work program.

On January 8, 2014, the Company signed a Letter of Intent (LOI) with a private investment group in Alberta, Canada to farm-out up to 40% of Simba’s interest in the PSC for Block 2A, in onshore Kenya, provided the investment group invested a minimum of US$8.6 million including US$6.6 million to provide at least 421 line kilometers of 2S seismic in 2014.

On January 28, 2014, the Company signed a further Letter of Intent (LOI) with the same private investor group in Alberta, Canada to farm-out up to 45% of its PSC for Blocks 1 and 2 in onshore Guinea, provided the investment group spent a minimum of US$6.5 million to carry out an FTG (Full Tensor Radiometry) survey and carry out 2D seismic as directed.

Both these LOI’s were terminated in the fourth quarter of fiscal 2014 when financial arrangements were not completed.

On April 22, 2014, the Company announced it had signed a contract with Bell Geospace to conduct a comprehensive airborne FTG survey on Block 2A in Kenya. Work commenced on this project throughout May and on June 19, 2014 the Company reported the completion of the flight program portion of the FTG and that Geospace had identified 11 high ranking and sizeable anomalies in both the Mandera (5 anomalies) basin and the Anza (6 anomalies) within the Block 2A concession.

The FTG has identified five structural features in the Mandera basin with independent closures varying in size from 30kms2 to +100kms2. The largest, having 2D seismic 4 way structural closure and excellent correlation with the FTG and earlier passive seismic surveys completed, is an excellent prospect. The remaining anomalies consist of two “string of pearl type” leads and two FTG structures which are supported by previous passive seismic results.

On the Anza basin, the Company is also in receipt of initial interpretations for the 46 line kilometers of 2D seismic previously acquired within Block 2A by Taipan Resources. As a result of analysis of the data sets, it appears that approximately one third (+/- 40Kms2) of the Badada prospect’s primary area of focus lies north of the concession boundry between Simba’s Block 2A and Block 2B (held partially by Taipan Resources with their 30% interest after farm-out.

On August 12, 2014, the Company received the final report from Bell Geospace from their aerial FTG survey analysis. Bell Geospace have identified five structural features with independent closures varying in size from 30kms2 to +100kms2 in both the Mandera and Anza basins. This will now allow the Company to better focus and narrow the target area and extent of the now planned 2D seismic program, which will focus on the three highest ranking & sizeable targets that the FTG has identified.

Discussions are currently underway regarding a 2D seismic program for Block 2A.

(b) Guinea

On July 27, 2011, the Company signed an Agreement to acquire a 60% interest in an issued Production Sharing Contract (PSC) for Blocks 1 & 2 comprising 12,000 square kilometers onshore in the Republic of Guinea's Bove basin. This Agreement was executed after the Company's geological staff conducted both site investigation and detailed review of technical data, and advised that there existed a significant potential for oil and gas in the basin.

The Company received approval for its 60% owned PSC on May 24, 2012 regarding Blocks 1 & 2 in onshore Guinea and commenced negotiations to acquire the remaining 40% of the PSC. This 40% was in the name of a company which was in default on the PSC and in September 2014, Simba management met with the Government authorities to finalize the transfer of the remaining 40% to Simba. This process is now underway and is expected to be completed by December 31, 2014.

The two blocks total 12,000 sq km onshore in the Bove basin in the Republic of Guinea and when conducting the geo-chem, several surface oil seeps and three known reservoir systems with good reservoir parameters in both clastic sediments and carbonates were identified.

A field trip was conducted on Block 2 which identified and sampled numerous oil seeps and a contaminated (unpalatable) water well. Several samples have been collected for laboratory analysis to confirm the presence of hydrocarbon. Preliminary tests on the two samples showed significant florescence which confirmed the presence of hydrocarbon. During the surface sampling program completed in the summer of 2013, two sites of major blow outs were visited and the blow outs were confirmed in discussion with local residents in the area.

The Company outlined its proposed work program for the next year in Guinea at a Ministerial meeting held in September in Paris, and advised the Government that the next phase of exploration would include FTG on both blocks. The commencement of the work program in 2015 will be dictated by resolution of the Ebola outbreak in the country and the ability of the country and region to control this unfortunate contagious disease.

(c) Chad

On September 24, 2012, the Company executed a Protocole d'Accord with the Republic of Chad which grants the Company 100% interests in the Production Sharing Contracts (PSC's) on three prospective oil & gas concessions in the Doba, Doseo and Erdis basins. As part of the execution of this agreement, the parties agreed to finalize the first year work program and execute the PSC documentation by October 31, 2012. On October 18, 2012 the Company formally executed the PSC's for the three blocks outlined above and is awaiting final approval by the Government of Chad. This approval has been received pending payment of the signature bonus to the Government. This bonus payment remains outstanding.

These three PSC's in Chad have a first exploration phase of five years and a second exploration phase of three years. The first exploration phase requires geological and geophysical studies to include processing and reinterpretation of existing 2D seismic, acquisition of at least 750 kilometres of new 2D seismic, as well as 400km^2 of 3D seismic (or 2D equivalent) to determine the range of possible drilling opportunities for the second phase that requires two exploration wells.

The first two blocks, Chari Sud Block 1 and the southern half (50%) of Chari Sud Block 11 are adjacent to each other and therefore treated as one (10,111km^2). They are in the Doba - Doseo Basin complex and lie just southeast of the Mangara and Badila oil fields where proven reserves are currently in the advanced stages of appraisal and production development. Assessment of earlier gravity and magnetic surveys across both these blocks along with existing 2D seismic, has confirmed these blocks comprise the same basin morphology as these producing fields. The NE-SW trending Borogrop fault zone crosses both blocks in a manner that divides Chari Sud Block 1 into both a north and south section while Chari Sud Block 11 is mainly south of this fault zone.

The third concession, Erdis Block 111 covering 15,700 km^2 is located in the south-western portion of the Erdis Basin, known as the Kufra Basin in Libya, where there are known discoveries. Recent gravity across Erdis Block 111 indicates the presence of a major depo centre and ties it to a sediment source to the west where along with a deep mature section and this current activity in Sudan, supports the Company's view of the block's potential.

On June 25, 2013, the Company was advised by the Government that the Production Sharing Contract (PSC) between the Government of Chad and Simba Energy has been ratified.

The PSC covers three blocks: Chari Sud Block I (6,217 km^2), the southern 50% of Chari Sud Block II (3,711 km^2) and Erdis III (15,270 km^2).

The ratified PSC confirms Simba's exclusive right and authority to carry out all petroleum exploration, development and production activities in the defined contract areas. The PSC also requires the Company to make a signature bonus payment which has not yet been paid. The details of the bonus are currently being negotiated with the Government of Chad.

The Company is meeting with ministry officials in Chad in January 2015 in order to outline an exploration program going forward. After consultation with Government officials, the Company will outline its work program for 2015.

(d) Liberia

The Company acquired 90% of Simba Energy Liberia Inc., formerly International Resource Strategies Liberia Energy, Inc. ("IRSLE"), a private company whose sole asset was a "Hydrocarbon Reconnaissance License" covering an onshore area of approximately 1,366 square kilometers in Liberia. The asset referred to is Hydrocarbon Reconnaissance Permit NR-001, which grants the Company, through its 90% owned subsidiary in Liberia, certain rights and obligations onshore Liberia. NR-001 extends over 1,366 sq. km and covers the entire onshore extent of the sedimentary basin known as the Roberts-Bassa Basin.

The permit rights extend to the exploration for hydrocarbons, including drill to no more than 300m, but explicitly exclude the rights to produce or sell any hydrocarbons. Also included is the right of first refusal for conversion to a Production Sharing Contract ("PSC"), which would include the aforementioned rights.

Liberia is a country which resumed stable and democratic government in 2006, after a period of over twenty years of civil war. The current government, which is underwritten by the UN and the USA, has restored democracy and through its government agency, The National Oil Company of Liberia, (NOCAL) is directing efforts towards the opening up of the natural resource sector to foreign investment, and consequently, is also laying great emphasis on infrastructure. The Liberian and US dollar are freely traded in parallel within the national economy.

The scope of this evaluation is purely technical and commercial; no warranty is made of the legal standing of the permit, nor of the acquisition of rights initially awarded to IRSLE. The evaluation was made on the basis of information gathered in Liberia in the field and from Liberian government data sources, as well as the public domain.

Reconnaissance Permit Extension

Although the Company's Liberia Hydrocarbon Reconnaissance Permit NR-001 in Liberia was allowed to expire in February, 2011, the application process of applying for the PSC effectively extends the life of the license through this process. The extension of the reconnaissance permit by National Oil Company of Liberia ("NOCAL") provides both the company and NOCAL additional time to complete the technical review. This process has now been completed. The members of the Board of Directors of NOCAL have been revamped and the new board is behind schedule in its review process.

The Company advises that it has received an official invitation from NOCAL to meet and finalize details pertaining to the issuance of a PSC. Because of the serious outbreak of Ebola in Liberia, this meeting has been deferred until the Government advises that it has control of the disease.

(e) Mali

The Company conducted an extensive study on Block 3 –Taoudenni Basin – located in the northern part of Mali. The study included review of geological, geophysical and reservoir engineering data, maps, and source rock evaluation, on this very large block consisting of approximately 22,000 sq. km. This property has extensive seismic already undertaken by Eni Oil & Gas Company of Rome, Italy who own the adjoining Block 4 in Mali. As a result of this analysis, the Company applied for a Production Sharing Contract for Block 3 and at year end had completed its technical review process with the Government of Mali. On October 20, 2011, the Company was advised that the PSC had been awarded and had expected to execute a formal agreement early in 2012 but in mid March 2012, in a military assault – a group of rebels overthrew the elected government of President Amadou Toumani Touré. This was followed by a rebellion in the north part of the country where Simba's property is located and the rebellion has currently split the country into two areas. While there has been some stability established, we have not yet received assurance regarding security in the Northern region where the property is located and in consultation with the government, the Company has decided to relinquish its interest in this PSC and return it to the Government. .

(f) Ghana

The Company has applied for a Production Sharing Contract in the Voltan Basin in Ghana. Discussions are ongoing regarding technical and other required documentation required by the Government and the process is ongoing with the Ghana National Petroleum Company. The Company is currently evaluating the technical data it possesses regarding the proposed area in the basin before proceeding with the completion of its application.

Financial statement presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

Selected Annual Information

Selected annual information from the consolidated audited financial statements for the three years ended is summarized as follows:

	June 30, 2014 In CDN $	June 30, 2013 In CDN $	June 30, 2012 In CDN $
Operating expense	1,289,649	3,736,734	2,944,375
Other (income)/expense	(12,905)	12,725	7,017
Net loss for the year	1,276,744	3,724,009	2,937,358
Net loss per share	0.01	0.02	0.02
Total assets	8,,038,452	7,055,136	9,419,843
Total Liabilities	1,859,544	1,073,004	542,757

Summary of Quarterly Results

Results for the eight most recently completed quarters are summarized as follows:

	Total revenues In CDN $	Net loss for the period In CDN $	Net loss per share (basic and diluted) In CDN $
September 30, 2014	NIL	397,325	0.00
June 30, 2014	NIL	295,379	0.00
March 31, 2014	NIL	164,535	0.00
December 31, 2013	NIL	275,710	0.00
September 30, 2013	NIL	541,120	0.00
June 30, 2013	NIL	525,126	0.00
March 31, 2013	NIL	766,704	0.00
December 31, 2012	NIL	1,056,027	0.00

Results of Operations

The Company incurred a loss of $397,325 for the three month period ending September 30, 2014 as compared to a loss of $541,120 for the previous three month period ending September 30, 2013. The major differences in the current period ending September 30, 2014 are the decrease in consulting fees to $84,284 vs. $180,389 for the three month period ending September 30, 2013, decrease in Investor communication and trade shows to $75,447 vs. $95,273 in 2013, decrease in office and miscellaneous to $44,138 vs. $84,939 in 2013, decrease in project investigation costs to $22,895 vs. $25,270 in 2013, and decrease in travel costs to $25,754 vs. $31,917 in 2013. Legal and accounting costs increased to $40,385 vs. $7,780 in 2013, and transfer agent and regulatory fees increased to $19,560 vs. 49,217 in 2013.

With the continuing general slowdown in exploration activity during the quarter ending September 30, 2014, the Company reduced its overall expenses for the period by approximately $143,795 while at the same time advancing its programs especially in Kenya and Guinea.

During the current period ending September 30, 2014 the Company continued its efforts on exploration in Kenya and in Guinea. The Company previously entered into an MOU in May of 2013 regarding a farm-out of a 66% interest and operatorship of its 100% owned interest held by its wholly owned subsidiary Simba Africa Rift Energy Ltd in Block 2A in Kenya. The parties subsequently terminated this agreement when they were unable to agree on a mutually acceptable program.

A subsequent Letter of Intent in early 2014 with a private investment group in Alberta, Canada regarding a farm-out up to 40% of its interest in Block 2A in Kenya and Blocks 1 and 2 in Guinea was also abandoned when the investment group did not fulfill the financial requirements stipulated in the Agreement.

On April 22, 2014 the Company entered into an agreement with Bell Geospace to conduct a comprehensive airborne FTG (Full-Tensor Gradiometry) survey on Block 2A in Kenya. The program included flying 6,044 line kms over two target areas within Block 2A and the resulting data from this FTG survey will allow for a more focused and cost effective 2D seismic well location program in the next phase of the exploration program.

The Company reported on June 19, 2014 that the FTG program was complete and that it identified 11 high ranking and sizeable anomalies in the Mandera and Anza basins within Block 2A.

In addition to its activities in Kenya the continued its discussions in Guinea and Liberia regarding the granting of an additional 40% interest in Guinea and the issuance of the PSC onshore in LIberia. These discussions are ongoing with some delay now expected because of the outbreak of Ebola in different regions in West Africa. Liberian and Guinean officials have advised that any work programs must be delayed until the outbreak is curtailed.

Liquidity and Capital Resources

At September, 2014 the Company had cash on hand of $170,429 compared to $293,334 at June 30, 2014 and $53,681 at September 30, 2013. Current assets amounted to $628,376 vs. $543,818 at June 30, 2014 and $290,037 at September 30, 2013 and the working capital deficit at September 30, 2014 amounted to $270,076 compared to working capital deficit of $1,315,326 at June 30, 2014 and $1,150,479 at September 30, 2013.

On July 29, 2014, the Company completed a non-brokered private placement of 54,118,009 units at $0.06 per unit for gross proceeds of $3,247,080. Of this financing, 21,988,200 units for gross proceeds of $1,319,292 were completed at June 30, 2014 and 32,129,809 units for gross proceeds of $1,927,588 were completed in July, 2014.

Although the proceeds from the non-brokered private placement reduced the Company’s trade payables and provided funding for the FTG survey, further funding will be required to carry out a seismic program on Block 2A in Kenya, and to conduct further exploration including an FTG program on Blocks 1 and 2 in Guinea. The Company is pursuing both farm-out options and additional private placement funding in order to further advance these projects.

The Capital markets during the past year have been very challenging as the Company continues to seek additional funding with the intention to have a positive working capital position and create the operating funds necessary to carry out general exploration activities throughout Africa.

The Company currently has no commitments for any credit facilities such as revolving credit agreements or lines of credit that could provide additional working capital.

Transactions with Related Parties

The following expenses were incurred with respect to remuneration to directors and officers of the Company:

Three months ended September 30	Note		2014		2013
Management fees (to an officer and director)	(i)	$	30,000	$	30,000
Management fees (to an officer and director)	(ii)		30,000		30,000
Management fees (to an officer)	(iii)		12,000		12,000
Geological consulting (to a director)	(iv)		31,335		10,500
Consulting fees (to a former officer)	(v)		-		33,600
		$	103,335	$	116,100

(i) Management fees paid or accrued to Robert Dinning, the President and Chief Executive Officer.

(ii) Management fees paid or accrued to Hassan Hassan, the Managing Director - Operations.

(iii) Management fees paid or accrued to Keith Margetson, the Chief Financial Officer.

(iv) Consulting fees paid or accrued to a director, James Dick, for geological consulting services performed on the Company's exploration and evaluation assets.

(v) Consulting fees paid or accrued to Paul Vonk, a former officer.

As at September 30, 2014, there were advances due from a related company of $122,622 (2013 - $153,841).

As at September 30, 2014, the amount due to officers and directors of the Company was $135,586 (2013- $503,756). Of this amount, $21,210 (2013 - $146,000) was advanced by officers of the Company to finance the working capital of the Company. The amounts due were unsecured, non-interest bearing and have no fixed terms of repayment. During the three months ended September 30, 2014, $186,000 of the debt was reduced by the issuance of shares.

Commitments and Contingencies

The Company has the following future commitments:

(a) Office lease

The Company has entered into an agreement to lease office space effective July 1, 2012 until June 30, 2017. The monthly net requirements under that lease are as follows:

	Minimum lease Required	Sub Lease	Net monthly Obligation
For the year ended July 31, 2015	$8,103	$3,810	$4,293
2016	$8,103	$3,810	$4,293
2017	$8,103	$3,810	$4,293

(b) Work Commitments

The terms of the PSCs require the Company to make payments and undertake exploration expenditures that in order for the contracts to remain in good standing. In Kenya, the contract stipulates that US $700,000 and US $8.9 million must be spent in the first and second year of its term. The Company met the requirement for the first year work commitment. The Company is currently negotiating a one year extension regarding its work commitments because of unforeseen delays in moving the PSC to a wholly owned subsidiary of the Company in Kenya. The work commitment for the second year will be fulfilled by the Farm-in-Party under the terms of the Memorandum of Understanding.

In Chad, there is a signature payment required under the terms of the contract. The amount is currently being negotiated.

(c) Lawsuit

The Company was served with a letter from the counsel of a creditor demanding the payment of funds allegedly outstanding with respect to payment for services rendered. The Company disputes the claim and is defending this claim and considers this claim without merit. The Company has also filed a countersuit against the party. No amount has been accrued as at September 30, 2014 or June 30, 2014. There has been no activity on this matter in the past year.

Capital disclosures

The Company considers its capital to consist of its debt and equity. Its objectives when managing capital are to safeguard the entity’s ability to continue as a going concern and to identify, acquire and explore mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company’s management to sustain future development of the business. There were no changes in the Company’s approach to capital management during fiscal 2014. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Financial instruments and risks

The Company's financial instruments consist of cash and cash equivalents, goods and services tax recoverable, accounts payable and accrued liabilities, flow through shareholder tax liability, due to related parties and loans payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that priorities the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 - Inputs that are not based on observable market data

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company is not exposed to significant credit risk on its financial assets due to cash being placed with major financial institutions and goods and services tax recoverable is due from government agencies.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Kenya, Guinea, Chad and Liberia. The Company funds cash calls to its subsidiary company outside of Canada in U.S. dollars. Management believes the foreign exchange risk derived from currency conversions and relative exchange rate between Canadian and U.S. dollars is low and therefore does not hedge its foreign exchange risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There is a risk that the Company may not be able to fulfill its obligation when a liability is due. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Other price and market risk

The Company's financial instruments are all short term and exposed to other price and market risks should the fair value of future cash flows from financial instruments fluctuate.

Management does not feel that the Company is exposed to significant risk as its financial instruments are not expected to significantly fluctuate over the short term.

Risk Factors Relating to the Company's Business

As a company active in the oil and gas and mineral resource exploration and development industry, the Company is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of oil and gas and mineral properties.

All of the Company's properties are still in the exploration stage. Oil and gas and mineral exploration and exploitation involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing revenue.

Exploration in various jurisdictions may involve consultation with indigenous groups. The Company endeavors to consult with such groups on a good faith basis, however, there are no guarantees the consultation process will result in decisions acceptable to all parties. The risk of unforeseen claims and disputes could affect the Company's existing operations as well as development projects and future acquisitions.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise.

Substantial expenditures are required to establish reserves and resources through drilling, to develop processes for extraction, in the case of new properties, to develop the facilities and infrastructure at any site chosen for production.

There is no assurance that commercial quantities of reserves or resources will be discovered. Even if commercial quantities are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit reserves and resources discovered by the Company will be obtained on a timely basis or at all.

Competition

The oil and gas and mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its exploration activities. Competition in the industry could adversely affect the Company's prospects for exploration in the future.

Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at September 30, 2014.

Proposed Transactions

The Company did not have any proposed transactions as at September 30, 2014.

Changes in Accounting policies

The Company did not have any changes in Accounting policies during the three months ended September 30, 2014.

Other Information

As at September 30, 2014 and November 27, 2014, the Company had the following securities issued and outstanding:

Common shares:	281,844,268
Options:	4,900,000
Warrants:	54,425,009
Total	341,169,277