Mezzotin Minerals Inc.

Management's Discussion and Analysis

For the Three Months and Year Ended

December 31, 2015

This "Management's Discussion and Analysis" ("MD&A") has been prepared as of April 29, 2016 and should be read in conjunction with the audited consolidated financial statements of Mezzotin Minerals Inc. (the "Company" or "MMI"), for the years ended December 31, 2015 and 2014. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") which are generally accepted accounting principles in Canada for reporting issuers and are reported in Canadian dollars unless otherwise stated.

Unless otherwise stated, all financial analysis, data and information set out in this MD&A are unaudited.

Cautionary Note Regarding Forward-Looking Statements

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with the Company's business, and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. Forward-looking statements contained in this MD&A are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below. Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Overview of the Business

The Company was incorporated on October 27, 2005 and became a reporting issuer as a Capital Pool Company on March 17, 2006. On May 10, 2011, Zoolander completed its Qualifying Transaction with the acquisition of Adsani Explorations (Pty) Ltd. ("Adsani"), a South African registered company, and its wholly-owned Zimbabwean subsidiary Mezzotin Investments (Private) Limited ("Mezzotin"). The acquisition constituted a reverse acquisition for accounting purposes.

The Company is a Tier 2 junior exploration company listed on the TSX Venture Exchange (the "Exchange") and is a reporting issuer in British Columbia, Alberta and Ontario. The Company holds exploration and mineral rights in Zimbabwe.

Mezzotin holds mining claims known as the Sabi Star Property ("Sabi Star"). Sabi Star is comprised of 30 rare earth exploration permits covering a total of 2,348 hectares. The property is located in Eastern Zimbabwe approximately

150 kilometres from Harare, the capital of Zimbabwe, and approximately 250 kilometres from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

Further technical information regarding this property can be found in the National Instrument 43-101 Technical Report (NI 43-101 Report) filed March 31, 2011 on the Company's profile on SEDAR at www.sedar.com.

As at April 29, 2016 the directors and officers of the Company were:

Paul Ekon	President, CEO and Director
Christine He	Director
Shawn Mace	Director
Jason Chen, PhD	Director
Lawrence Schreiner, CPA, CA	CFO

Highlights and Summary

In the three and twelve months ended December 31, 2015 the Company incurred net losses of $(101,560) and $(363,371) respectively, compared with net losses of $(345,743) and $(605,737) respectively, in the corresponding periods of 2014. On a per share basis, in the three and twelve months ended December 31, 2015 the Company incurred loss per share of $(0.01) and $(0.01) compared with $(0.01) and $(0.01), respectively, in the corresponding periods of 2014, when rounding to two significant digits.

On December 30, 2015, the Company announced that its wholly owned Zimbabwean subsidiary Mezzotin Investments (Private) Limited has entered into a tribute agreement which will permit Max Mind Investments (Zimbabwe) (Private) Limited to mine its Sabi Star properties and in return will receive a royalty equal to 20% of the pre-tax profits. The agreement is for a period of five years and may be renewed for a further five-year period.

In conjunction with the tribute agreement, The Company has secured a loan of US$500,000 from Max Mind Investments Limited, a Hong Kong based private investment company. The loan is for a period of five years and bears interest at LIBOR rate for overnight deposits. Interest will accrue and be paid by the Royalty payments from the tribute agreement.

The transaction is subject to all requisite regulatory approvals. (see "Proposed Transactions" and "Long Term Debt" sections).

As of the date of this MD&A, the TSX have granted conditional approval subject to shareholder ratification and an undertaking by the Company to provide adequate disclosure about the exploration and development activities at the properties to investors as well as to allow the TSXV to ensure the Company's compliance with continuing disclosure requirements.

In November, 2014 the Company obtained a valuation report on the vehicles and equipment that it owned. As a result of the appraised values, in the three-month period ended December 31 2014, the Company took a charge against operations of $297,221 to reflect the impairment in the value of the assets.

All matters of a material nature are made available at www.sedar.com .

Sabi Star Exploration Report

During the three months ended March 31, 2016, exploration activities have focused on eight of the 30 claim areas at the Company's properties, and have involved mapping, trenching, sampling and analysis of trench sample results.

A total of 963 meters of trenches were excavated and a total of 346 - 40kg bulk samples were collected for analysis. Sample preparation was carried out at the Government Metallurgical Laboratory in Harare. Based on the results from the trenching and sampling, the property developer is planning more extensive diamond drilling over the next three months. It is expected that the diamond drilling phase will cost approximately US$116,000.

To March 31, 2016, the property developer has incurred costs of approximately US$111,000 on exploration on the Sabi Star properties.

Selected Financial Information

The following table sets out selected financial information for the three most recently completed financial years.

(audited)	Years ended December 31		
	2015	2014	2013
Loss before income taxes	**$ (363,371)**	$ (605,737)	$ (751,129)
Net loss	**$ (363,371)**	$ (605,737)	$ (751,129)
Weighted average number of shares outstanding	**48,979,100**	48,979,100	49,448,766
Loss per share (basic and fully diluted)	**$ (0.01)**	$ (0.01)	$ (0.02)
Cash	**$ 70,977**	$ 71,018	$ 550,291
Working capital (deficiency)	**$ (143,394)**	$ (86,845)	$ 292,164
Total assets	**$ 969,803**	$ 956,343	$ 1,600,530

The exploration activities of the Company have been limited and the Company continues to incur costs at the properties. In addition to storing and maintenance of the equipment, there is a former mining plant on the property which has not been in operation since 2004. The Company continues to incur costs for care, maintenance and security of the site.

In the twelve months ended December 31, 2015 the Company continued to draw down on its cash resources to support its limited business activities. Consequently, at December 31, 2015 the Company had cash balance of $70,977 and a working capital deficiency of $143,394. While the Company had total assets of $969,803, the bulk of the Company's assets were comprised of property and equipment of $303,316 (2014 - $390,990) and capitalized exploration and evaluation assets of $584,359 (2014 – $476,917). As noted in the "Highlights and Summary" and "Long Term Debt" sections, on December 30, 2015 the Company entered into a loan agreement which will provide US$500,000 of working capital, to be made available to the Company at scheduled intervals extending to March 31 2017.

In the year ended December 31, 2014, the Net Loss of $(605,737) includes an impairment charge of $297,221 relating to the value of the Company's vehicles and equipment following an independent valuation.

The Company's exploration rights are on properties in Zimbabwe, a country rich in natural resources but subject to political and economic uncertainty. In December 2013, the Reserve Bank of Zimbabwe cancelled the banking license of Trust Bank Corporation. As of December 31, 2013 the Company had approximately $25,136 on deposit with Trust Bank but was unable access these funds. Accordingly, the Company recorded an impairment charge as at December 31, 2013 of the full amount on deposit. In 2014, the Company received $552 in deposit insurance proceeds. In the opinion of management, it is unlikely further amounts will be received. The Company's capital management practices are to keep most cash balances on deposit in Canada and periodically transfer funds to the operations as required.

Discussion of Operating Results

The following table summarizes the Company's operating results for the three months and years ended December 31, 2015 and 2014:

	Three months ended December 31 (unaudited)		Year ended December 31 (audited)	
	2015	2014	**2015**	2014
Consulting fees	**$ 10,500**	$ 11,700	**$ 39,000**	$ 51,679
Professional fees	**38,209**	16,927	**77,277**	63,020
Salaries and wages	**5,724**	8,655	**28,895**	101,019
Shareholder communication	**2,631**	703	**14,772**	15,410
General and administrative	**17,767**	14,151	**73,490**	85,272
Impairment of property and equipment	**-**	297,221	**-**	297,221
Loss on disposal of equipment	**-**	-	**69,491**	3,161
Depreciation	**29,698**	1,552	**70,992**	8,953
Rental income	**(3,002)**	(5,166)	**(11,507)**	(19,881)
Finance income	**(38)**	-	**(44)**	(117)
Interest expense	**71**	-	**1,005**	-
Net loss	**$ (101,560)**	$ (345,743)	**$ (363,371)**	$ (605,737)

Consulting fees

Consulting fees include amounts paid to companies for executive and management services as well as specific purpose consulting services. The following table sets out the amount paid in each category:

(Unaudited)	Three months ended December 31		Year ended December 31	
	2015	2014	**2015**	2014
Executive/Management	**$10,500**	$ 10,500	**$ 39,000**	$53,750
Other consulting	**-**	$ 1,200	**-**	$ (2,071)
Total	**$ 10,500**	$11,700	**$ 39,000**	$ 51,679

In the three months and year ended December 31, 2015, the Executive/Management consulting fees were paid to an officer of the Company for management services.

Professional fees

Professional fees include amounts paid for legal, audit and other professional services. The following table sets out the professional fees by category:

(Unaudited)	Three months ended December 31		Year ended December 31	
	2015	2014	**2015**	2014
Legal	**$ 28,373**	$ 10,927	**$ 49,441**	$ 39,020
Audit	**9,836**	6,000	**27,836**	24,000
Other professional fees		-	**-**	-
Total	**$38,209**	$ 16,927	**$ 77,277**	$ 63,020

In the three months and year ended December 31, 2015, the Company recorded legal fees of $28,373 and $49,441, respectively compared with $10,927 and $39,020 respectively in the corresponding periods of the prior year. The legal fees relate to costs incurred related to the reinstatement of the Zimbabwean business license and general corporate matters.

Audit fees include fees for audit and tax preparation services.

Salaries and wages

Salaries and wages relate specifically to costs incurred at Mezzotin Investments in Harare, Zimbabwe. The personnel are responsible for local administration as well as maintaining the property and infrastructures on the premises. For the three months and year ended December 31, 2015 the Company incurred cost of $5,724 and $28,895 respectively (2014 - $8,655 and $101,019, respectively). Salary and wage costs have been reduced primarily through the reduction of personnel.

Shareholder communication

During the three months and year ended December 31, 2015 the Company incurred costs of $2,631 and $14,772, respectively (2014 - $703 and $15,410, respectively) related to shareholder communication. This category of expense includes regulatory filing fees, costs associated with the annual general meeting including printing and dissemination of the annual Information Circular, press releases and transfer agent fees.

General and administrative

General and administrative costs include office related costs such as rent, telephone, insurance, supplies as well as cost associated with general operations, repairs and maintenance at the properties. The following table sets out the costs in the major categories:

(Unaudited)	Three months ended December 31		Year ended December 31	
	2015	2014	**2015**	2014
Rent, telephone, supplies	**$ 4,745**	$ 6,954	**$ 19,173**	$ 35,295
Insurance	**4,419**	6,680	**21,243**	23,629
Equipment storage	**966**	2,506	**14,178**	15,952
Repairs and maintenance	**3,708**	322	**14,920**	10,369
Other costs	**3,929**	(2,311)	**3,976**	27
Total	**$ 17,767**	$ 14,151	**$ 73,490**	$ 85,272

Rent, telephone, supplies includes rent in Harare paid to a related party (see section "Related Party Transactions" and office services in Toronto for official office purposes.

During the year ended December 31, 2015 the Company incurred costs associated with the storage, repairs and maintenance of equipment and machinery. For the three months and year ended December 31, 2015 these costs totaled $4,647 and $29,098, respectively (2014 - $2,828 and $26,321). Prior December 31 2015, the Company moved its equipment in storage to a facility which should incur less storage charges going forward.

Impairment of foreign cash

In December 2013, the Reserve Bank of Zimbabwe cancelled the banking license of Trust Bank in Zimbabwe. At December 31, 2013 the Company had $25,136 on deposit at Trust Bank and was no longer able to access these funds. The Company is uncertain when and if it will be able to access these funds and accordingly has recorded an impairment in the value of the asset. In the year ended December 31, 2014 the Company recovered $552 of the balance at Trust Bank pursuant to a depositor insurance program. While the Company will continue to pursue the funds, it is the view of management that it is unlikely there will be any additional distributions or return of deposits from Trust Bank.

Impairment of property and equipment

During the year ended December 31, 2014, as a result of an independent valuation, the Company recorded an impairment charge of $297,221. Commencing January 2015, the Company began taking depreciation on its vehicles and equipment to reflect degradation of value due to time.

Loss on Disposal of Equipment

In the year ended December 31, 2015 the Company disposed of a piece of heavy equipment. Because of the configuration of the equipment, there was little demand and the Company liquidated the equipment at a loss of $69,491. In the year ended December 31, 2014 the Company disposed of a vehicle at a loss of $3,161.

Depreciation

Commencing in January 2015, the Company recorded depreciation on all its Property and Equipment fixed assets whether or not the asset was in use. The depreciation charge is intended to reflect the deterioration over time of the nature of the assets. In the year ended December 31, 2015, the Company recorded depreciation of $70,992 (2014 - $8,953) on its Property and Equipment assets.

Rental income

In the three months and year ended December 31, 2015 the company recorded other income of $3,002 and $11,507, respectively (2014 - $5,166 and $19,881, respectively) from the rental of vehicles to a company whose CEO is a director of the Company's subsidiary (see "Related Party Transactions"). The lease expired December 31, 2013 and has carried on month to month subsequent to that time.

Deferred costs

In the three months and year ended December 31, 2015 the Company deferred costs associated with Exploration and Evaluation assets in the amounts of $5,494 and $14,225, respectively (2014 - $4,528 and $13,241, respectively). The deferred costs are substantially related to fees maintaining the mineral rights at the Sabi Star properties and included in Non-Current Assets on the balance sheet.

Quarterly Financial Information

The following table sets out the operating results for the last eight quarters:

	Revenue	Net Loss	Loss per share
December 31, 2015	Nil	$ 101,560	$0.01
September 30, 2015	Nil	$142,767	$0.00
June 31, 2015	Nil	$ 71,557	$0.00
March 31, 2015	Nil	$ 47,487	$ 0.00
December 31, 2014	Nil	$ 345,743	$ 0.01
September 30, 2014	Nil	$ 96,314	$ 0.00
June 30, 2014	Nil	$ 84,687	$ 0.00
March 31, 2014	Nil	$ 78,993	$ 0.00

In the three months ended December 31, 2015, the Company entered into an agreement to assign the mineral rights to a third party and in consideration receive a royalty on the profits derived from the property. As part of the transaction, the third party has provided a loan to the Company of US$500,000 to be drawn at predetermined dates extending to March 30, 2017.

In the three months ended September 30, 2015, the Company recognized a loss of $69,491 on the disposal of a piece of heavy equipment. Depreciation on the remaining assets was $14,128 in the period

In the three months ended June 30, 2015, the Company commenced taking a depreciation charge against its equipment and vehicles to reflect the declining nature of this type of asset. Included in the loss for the period is a charge of $25,643 for depreciation of these assets.

In the three months ended March 31, 2015, the Company net loss reflects limited activity in the period.

In the three months ended December 31, 2014, the net loss includes an impairment charge of $297,221 related to the value of equipment and vehicles.

In the three months ended September 30, 2014, the net loss reflects limited activity at the Company. Included in the loss of $96,314 are one-time severance and notice costs of $34,082 which will reduce future salary expenses.

In the three months ended June 30, 2014 the net loss reflects limited activity at the Company, primarily related to general maintenance at the site and ongoing administrative costs.

In the three months ended March 31, 2014, the net loss reflects limited activity at the Company during this period. The Net Loss was reduced by a recovery of consulting fees of $3,310 recorded in the prior year.

Liquidity and Capital Resources

At December 31, 2015, the Company's cash balance was $70,977 (2014 - $71,018). At December 31, 2015 the Company had a working capital deficit of $143,394 compared with a deficit of $86,845 at the corresponding date in the prior year.

The Company's financial liquidity has been supported primarily by its cash resources. The Company is a development stage enterprise, does not generate any revenue and is not cash flow positive. As noted in the "Highlights and Summary" and "Long Term Debt" sections, on December 30, 2015 the Company entered into a loan agreement which provides US$500,000 of working capital to be made available to the Company at scheduled intervals extending to March 31 2017.

The Company's ongoing ability to remain solvent will depend on a number of factors including but not limited to the rate of cash expenditure to fund ongoing operations, the realization of royalties pursuant to the Tribute Agreement, investments in non-cash working capital, and the Company's ongoing ability to raise capital to fund the development of the business. (see "Risks and Uncertainties").

The Company's investment practice may include investing cash balances in term deposits and bankers' acceptances. Any investment in short-term investments would be high quality instruments of financial institutions, providing the Company with very low levels of liquidity risk on its invested financial instruments.

Long Term Debt

The Company has secured a loan of US$500,000 from Max Minds Investments (Private) Limited, a Hong Kong based investment company. Under the terms of the loan, the Company will receive funds pursuant to a funding schedule with extends up to March 31, 2017. The loan will accrue interest from the date of the advances, at the LIBOR rate for overnight deposits. Interest is payable at the time and to the extent that royalty payments are received under the tribute agreement, but otherwise not payable until maturity which is which is five years from the date of the advances. As of December 30, 2015, the Company had received US$140,000 of funds designated under the agreement.

The proceeds of the loan are broadly designated for general working capital of the Company. The funds are not intended to be used in the development of the Sabi Star properties pursuant to the tribute agreement.

Share Capital

The share capital of the company consists of an unlimited number of common shares. As of December 31, 2015 and the date hereof, there were 48,979,100 common shares issued and outstanding (2014 – 48,979,100). No shares were issued in the year ended December 31, 2015.

As of December 31, 2015 and 2014, there were no options issued or outstanding pursuant to the Employee Stock Option Plan.

In the years ended December 31, 2015 and 2014, the Company did not issue any additional warrants. At August 31, 2014, a total of 15,000,000 warrants expired. Consequently, as of December 31, 2015 and 2014, and the date hereof, there are no warrants outstanding.

Capital Commitments

The Company does not have any material commitments for capital assets as of December 31, 2015 or as of the date of this MD&A.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as of the date of this MD&A.

Related Party Transactions

Related parties include the Board of Directors and officers of the Company and its subsidiaries including close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Following is a summary of the related party transaction:

a) In the three months and year ended December 31, 2015, the Company recorded Rental Income of $3,002 and $11,507, respectively (2014 – $5,166 and $19,881, respectively) related to the rental of a vehicle to a company where the director of the Company's subsidiary is an officer.

b) During the three months and year ended December 31, 2015 the Company incurred costs of $2,877 and $11,507, respectively (2014 – $4,970 and $19,881, respectively) for office rent paid to a company where a Mezzotin ZIM Director was a senior officer. The rental costs are included in General and Administrative.

c) During the three months and year ended December 31, 2015 the Company incurred costs of 10,500 and $39,000, respectively (2013 – $10,500 and $53,750, respectively) for executive and management services to companies controlled by officers, directors or former directors of the Company. The amounts are included in Consulting Fees.

Proposed Transactions

On December 30, 2015 the Company announced that it has entered into a royalty arrangement and loan transaction with Hong Kong-based Max Mind Investments Limited ("Max Mind"), an arm's length private investment company.

Under a tribute agreement between Mezzotin Investments (Private) Limited ("MIPL"), a wholly-owned Zimbabwean subsidiary of the Company, Max Mind Investments (Zimbabwe) (Private) Limited ("Max Mind Zimbabwe"), a Zimbabwean subsidiary of Max Mind, and Max Mind, MIPL has agreed to permit Max Mind Zimbabwe to mine its Sabi Star project, covering approximately 2,348 hectares located on the Odzi Gold Belt in Eastern Zimbabwe, for tantalum and other minerals. MIPL will receive a royalty equal to 20% of the pre-tax net profit realized by Max Mind Zimbabwe from mining operations on the Sabi Star project. The agreement has an initial term of five years and may be renewed by Max Mind Zimbabwe for a further five-year term if then in compliance with the terms of the tribute agreement.

In conjunction with the tribute arrangement, Max Mind has agreed to lend Mezzotin US$500,000, of which US$140,000 has been advanced as of December 31, 2015 and three further advances of US$110,000, US$125,000 and US$125,000 are required on the three, nine and 15 month anniversaries, respectively, of the date of the loan agreement. Interest will accrue on the loan amounts at the LIBOR rate for overnight deposits and is payable at the time and to the extent that royalty payments are received under the tribute arrangement, but otherwise not payable until maturity. The loan will mature and be repayable with accrued interest on the five-year anniversary of the advances. Mezzotin shall have the right to extend the maturity date for a further 2 years if mining operations have not yet commenced or have ceased under the tribute arrangement.

The transactions are subject to all necessary regulatory approvals both in Canada and in Zimbabwe.

As of the date of this MD&A, the TSX have granted conditional approval subject to shareholder ratification and an undertaking by the Company to provide adequate disclosure about the exploration and development activities at the properties to investors as well as to allow the TSXV to ensure the Company's compliance with continuing disclosure requirements.

Contingencies

The Zimbabwe Investment Authority ("ZIA"), through what management of the Company believes to be an unauthorized and administrative error, has served notice that it has cancelled Mezzotin ZIM's investment license. As a result of this action, the Company has been assessed to recover tax credits previously granted in the amount of $44,980. This amount has been accrued as a liability at December 31, 2015.

The cancellation of an Investment License, in general terms, may have other consequences such as the inability to repatriate invested funds and the development of production properties.

It is the opinion of management that the cancellation of the Investment License will be rectified and has commenced the legal process for its reinstatement.

Financial Instruments

Fair Value of Financial Instruments

The Company has designated its cash as held for trading, which is measured at fair value. Fair value of marketable securities is determined based on transaction value and is categorized as Level 1 measurement. HST recoverable and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair value. Accounts payable and accrued liabilities and property options payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair value. Fair value of accounts payable and accrued liabilities and property options payable are determined from transaction values which were derived from observable market inputs. Fair values of accounts payable and accrued liabilities and property options payable are based on Level 2 measurements.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate fluctuations on its Loan Payable, where interest is expressed in relation to the prevailing LIBOR rate.

Foreign Exchange Risk

The Company has exposure to foreign risk primarily with respect to the US Dollar. The Company's active subsidiary is located in Zimbabwe which in late 2015 announced the adoption of the Chinese Renminbi as its official currency. Because of restrictions in trade with respect to the Renminbi, commerce, and in particular international commerce is transacted in US Dollars. The Company's tribute agreement is expressed in US Dollars and royalties from the operation are designated to pay down the interest on the Company's US Dollar debt. The Company does not hedge its foreign exchange risks.

Liquidity Risk

The Company manages liquidity risk by ensuring that all near cash and short term investments are in secure, high quality instruments with short term maturity dates to ensure that it will be able to meet liabilities when due.

New Accounting Pronouncements

The International Accounting Standards Board has issued new and amended standards and interpretations with various implementation and effective dates. The following is a brief summary of the new standards:

New accounting standards adopted in year:

IAS 32, Financial Instruments: Presentation

The IASB published amendments to IAS 32 to provide clarifications on the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amendments are effective for annual periods beginning on or after January 1, 2014. The adoption of the amendments did not have a significant impact on the Company's consolidated financial statements.

IAS 36, Impairment of Assets

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36 requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014 and were applied prospectively.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued amendments to four standards, including IFRS 8 - Operating segments and IAS 24 - Related party transactions. The amendments to IAS 24 (i) revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent, and (ii) clarify related disclosure requirements. The amendments to IFRS 8 require (i) disclosure of judgements made by management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendments are effective for years beginning on or after July 1, 2014. These amendments did not have an impact on the Company's financial statements.

Pronouncements for future adoption:

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, setting out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. IFRS 9 replaces IAS 39 - Financial Instruments: Recognition and Measurement. The new standard establishes a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. It also provides guidance on an entity's own credit risk relating to financial liabilities and has modified the hedge accounting model to better link the economics of risk management with its accounting treatment. Additional disclosures will also be required under the new standard. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of IFRS 9 on the Company's consolidated financial statements.

IAS 16, Property, Plant and Equipment, and

IAS 38, Intangible Assets

In May 2014, the IASB amended IAS 16 and IAS 38 to clarify that a revenue-based approach to calculate depreciation and amortization generally is not appropriate as it does not reflect the consumption of the economic benefits embodied in the related asset. These amendments must be applied prospectively for annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact of amendments to IAS 16 and IAS 38 on the Company's consolidated financial statements.

IFRS 11, Joint Arrangements

In May 2014, the IASB amended IFRS 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business, as defined in IFRS 3 - Business Combinations. The amended standard requires the acquirer to apply all of the principles on accounting for business combinations in IFRS 3 and other IFRSs except for any principles that conflict with IFRS 11. These amendments must be applied prospectively for those acquisitions occurring in annual periods beginning on or after January 1, 2016. The amendments to IFRS 11 are not expected to have a significant impact on the Company's consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 to establish principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of IAS 17 - Leases or other IFRSs. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying a five step methodology. The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain nonfinancial assets such as property and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after January 1, 2018 using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The Company is currently evaluating the impact of IFRS 9 on the Company's consolidated financial statements.

IFRS 16, Leases

On January 13, 2016, the IASB issues IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRS 16 on its financial statements

Annual Improvements 2012-2014 Cycle

In September 2014 the IASB issued Annual Improvements to IFRSs 2012-2014 Cycle (Amends IFRS 5, IFRS 7, IAS 19, and IAS 34). The improvement is effective for periods beginning on or after January 1, 2016. Early application is permitted. If an entity applies an amendment for an earlier period, it shall disclose that fact.

Risks and Uncertainties

An investment in the Company's shares should be considered highly speculative. An investor should carefully consider each of, and the cumulative effect of, the following risks and uncertainties.

Development Venture

The Company has agreed to permit a third party to mine its Sabi Star properties for a royalty of 20% of the pre-tax cash flows from the business. The Company has also borrowed operating working capital from a company related to its development partner whereby the interest and principal of the loan are to be repaid from the royalty payments. There is no certainty that the development of the property and the royalty payments will be either sufficient or timely with respect to the terms of the debt agreement.

Financing Requirements

While the Company has an agreement to allow a third party to mine its properties, beyond the terms of the agreement, the exploration and development of the Company's properties, including continuing exploration and development of the Sabi Star Property, may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration and or even a loss of a property interest. When such additional capital is required, the Company may pursue sources of such capital through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all, may not obtain the capital required by other means and failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of Company Shares or securities convertible into Company Shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of Company shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of Company shares or securities convertible into Company shares or the effect, if any, that future issues and sales of the Company shares will have on the price of the Company shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued Company shares or securities convertible into Company Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Local Legal, Political and Economic Factors

The Company's operations are conducted in Zimbabwe and, as such, will be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Zimbabwe has a history of political and economic instability. This instability could result in new governments or the adoption of new policies, laws or regulations that might assume a substantially more hostile attitude toward foreign investment, including the imposition of additional taxes. In an extreme case, such a change could result in the termination of contract rights and expropriation of foreign-owned assets.

Historically Disadvantaged Aboriginal People

Zimbabwe is in the process of enacting legislation to assist people of aboriginal descent to overcome perceived historic economic disadvantages. The Indigenisation Act became law in Zimbabwe on April 17, 2008. The Indigenisation Act provides for all companies operating in Zimbabwe to arrange for 51% of their shares or interest therein to be owned by indigenous Zimbabweans, however, recent statements by the Zimbabwe government have indicated that companies will be required to relinquish a lower percentage.

On January 29, 2010, the Zimbabwe Government published regulations with respect to the Indigenisation Act that include the requirement for companies operating in Zimbabwe to provide specified information to the Minister of Youth Development, Indigenisation and Empowerment (the "Minister"), including an indigenisation implementation plan, by April 15, 2010. That information, together with responses from all sectors of the Zimbabwe economy, will be used as a basis for determining what amount less than 51% shall apply to any sector and subsector and the maximum period for achieving indigenization. The regulations require the Minister to complete the determinations by February 28, 2011. Mezzotin has filed the necessary documentation with the Minister. There is great uncertainty as to whether the legislation will be enforced in the current form and what impact it will have on companies like Mezzotin and/or the Company.

There is no guarantee that the legislation will be amended, requiring a dilution of the Company's interest in the Sabi Star Property in favour of previously disadvantaged persons. Were such a dilution required, there is no guarantee that the Company would be fully compensated for the interest given up.

Title to Properties

The Company holds its interest in the Sabi Star Property through Mezzotin Investments Pvt. ("Mezzotin"), which is an indirect wholly-owned subsidiary. The Company believes that Mezzotin presently holds all necessary licenses and permits required to carry on with activities which it is currently conducting under applicable laws and regulations and that Mezzotin is presently complying in all material respects with the terms of such licenses and permits. All of Mezzotin's claims are under the jurisdiction of the Government Assistant Mining Commissioner in Mutare, Zimbabwe and the Company believes that all of such claims have been pegged in accordance with the provisions of the Zimbabwe Mines and Minerals Act. Title reviews have been performed with respect to the Sabi Star Property. Although title reviews are often done according to industry standards prior to the purchase of a mining property, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the Company which could result in the loss of a property interest.

The mining claims may be terminated in the event the Company fails to pay annual inspection fees or fails to conduct a development work program on the mining claims annually. Under the laws of Zimbabwe, mineral resources belong to the state and governmental concessions and prospecting licenses are required to explore for, exploit, and extract mineral reserves.

Nature of Exploration and Development

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Furthermore, resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of mineral deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used to develop reserves. Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures, changes in the regulatory environment 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 mining, monetary losses and possible legal liability.

Although Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these 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 that may not be insured against or that 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.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in Zimbabwe. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Exchange Controls

Foreign operations may require funding if their cash requirements exceed operating cash flow. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. In addition, taxes and exchange controls may affect the dividends received from foreign subsidiaries. Exchange controls may prevent transferring funds abroad.

Commodity Price Volatility

Any future profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices, including the price of tantalum, fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities, including the price of tantalum, has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and results of operations. In addition to adversely affecting the Company's reserve or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Foreign Subsidiaries

The Company is a holding company that conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent Company and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Governmental Regulation of the Mining Industry

All minerals and fossil fuels are vested in the State of Zimbabwe and may be acquired by companies and individuals through the pegging of claims or applications for Special Grants, Exclusive Prospecting Orders ("EPO") and Mining Leases. All of these are covered by the Mines and Minerals Act and the Mining Regulations. The Mines and Minerals Act was promulgated in 1961 and amendments require approval by Parliament. The Mining Regulations may be amended by the Minister of Mines. The Mines and Minerals Act is currently under review, with the Chamber of Mines having set up a committee to propose amendments Although the Company believes that the current activities at the Sabi Star Property are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties.

Additional disclosure for Venture Issuers without Significant Revenue

The requisite disclosure for Venture issuers without significant revenue has been addressed in the Discussion of Operations section.

Outstanding Shares

The following table outlines the equity securities of the Company and all other securities of the Company which are convertible into, exercisable or exchangeable for voting or equity securities as of the date of this MD&A:

	Number
Common shares outstanding	48,979,100
Issuable under warrants and options	nil
Total diluted common shares	48,979,100

Additional Information

Additional information relating to the Company including the Company's 43-101 Technical Report can be found on SEDAR at www.sedar.com.