*The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("**MD&A**") of Era Resources Inc., **("Era"** or the "**Company**") provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess material changes in the financial condition of the Company between March 31, 2016 and June 30, 2015, and results of operations for the three and nine months ended March 31, 2016, (**"Q3 2016" and "YTD 2016",** respectively**)** and for the three and nine months ended March 31, 2015, (**"Q3 2015" and "YTD 2015",** respectively). The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2016, and with the audited consolidated financial statements and notes thereto of Era for the fiscal year ended June 30, 2015 **("FY 2015").** In this MD&A, references to "Company" or "Era" are references to Era Resources Inc. and its wholly-owned subsidiaries.*

*The financial statements (and the financial information contained in this MD&A) were prepared in accordance with International Financial Reporting Standards ("**IFRS**") including International Accounting Standard, Interim Financial Reporting **("IAS 34").***

*All amounts in this discussion are expressed in millions of United States dollars ("**USD**") except per share data and unless otherwise indicated. All amounts in tables are expressed in thousands of USD, unless otherwise indicated.*

*This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "Forward-looking Information" below for a full discussion on the nature of forward-looking information). Information regarding the adequacy of cash resources to carry out the Company's exploration and development programs or the need for future financing is forward-looking information. All forward-looking information, including information not specifically identified herein, is made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A under the heading "Forward-looking Information" when reading any forward-looking information. This MD&A is prepared in accordance with Form 51-102F1 and has been approved by the Company's board of directors (the "**Board of Directors**" or the "**Board**") prior to its release.*

This report is dated as of May 12, 2016. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website (www.sedar.com).

Company Overview

Era is an international mineral exploration and development company listed on the TSX Venture Exchange (the "**TSXV**") (Symbol: ERX). The Company's principal asset is its Yandera copper project (the "**Yandera Project**") in Papua New Guinea ("**PNG**"). The Company is currently focused on advancing the development of the Yandera Project into a commercially viable copper mining operation, with the objective to maximize shareholder value.

Between 2006 and 2014, the Company drilled 471 exploration, resource and geotechnical drill-holes and drove two adits (50 metres and 71 metres long) to test various mineralized zones across the Yandera Project. In December 2006 the Company commissioned a conceptual mining study (the "**CMS**") for the Yandera Project to include a preliminary mine design and open pit optimization, metallurgical testwork, plant flowsheet design and throughput options and capital and operating cost estimates. In July 2007 the CMS was completed and, based on the positive results thereof, the Company determined to proceed with a feasibility study. Phase 1 of the work to support a feasibility study was completed in April 2008 and comprised a comparative development options analysis study that delivered positive results.

Era commenced work on a feasibility study for the development of Yandera in 2008, based on its published copper resource, the prevailing copper price and the state of global financial markets at the time. Since then, global resource markets have become increasingly competitive, with, among other things, the copper price falling, funding for exploration and development decreasing and capital and operating costs escalating, bringing into question the economic viability of the development of the 2012 Yandera resource.

During the latter part of fiscal year 2014, the new management team conducted a comprehensive evaluation and review of all aspects of the prior work conducted towards a feasibility study of the Yandera Project and concluded that, although progress had been made, further exploration and development work was required in order to finalize the feasibility study and, as a result of this review, the feasibility study has been deferred until further work is completed (see *"Outlook"* section).

Taking into account the 2015 updated resource estimate, the review of the 2012 resource, as well as further drilling, mapping and survey programs completed subsequent to the review that have yielded new mineralization, the Company has renewed enthusiasm about the potential of Yandera.

Overall Performance

Highlights of YTD 2016 and as of the Date of this Report

During YTD 2016 and to the date of this MD&A, the following highlights the Company's significant events:

- **Financing Activities** – The Company entered into a financing agreement with its major shareholder, which consists of three entities controlled by The Sentient Group, (collectively, "**Sentient**"), as follows:
    - On October 13, 2015, the Company entered into an agreement (the **"Letter Agreement"**) with Sentient in connection with the proposed issuance of $14.0 million principal amount of convertible unsecured debentures (the **"Investment Debentures**"). The proposed Debentures were to be issued in two tranches, with the first tranche of $7.0 million to be completed following the approval of the Company's shareholders at the annual general and special meeting held on November 13, 2015, and the second tranche of $7.0 million to be completed five months after the shareholders' approval is obtained.
    - On November 13, 2015, the requisite shareholder approval was obtained and the Company completed the issuance of the first tranche of $7.0 million of the Investment Debentures to Sentient.
    - On February 23, 2016, the Company entered into an amending agreement with Sentient to extend the maturity of the outstanding convertible debentures of the Company held by Sentient that were previously set to mature on June 30, 2016 to now mature on September 30, 2016.
    - On April 18, 2018, the Company announced that it had received a portion of the proceeds, $3.0 million from the second tranche of the financing pursuant to the financing agreement with Sentient dated October 13, 2015.
    - On May 9, 2016, the Company announced that it has received the remaining proceeds, $4.0 million of the second tranche of the financing pursuant to the financing agreement with Sentient dated October 13, 2015.
- **Corporate Restructuring** – The Company made the following changes during the fiscal year and to date of this MD&A:
    - On July 1, 2015, Mr. Andre Wessels joined the Company's management team as VP Projects. Mr. Wessels, BEng, MBA, GAICD, has over 23 years of experience in mining and related services, steel, financial services, and information and communication technology industries.
    - On August 11, 2015, the Company announced that it had requested approval to delist from the Port Moresby Stock Exchange ("**POMSoX**").
    - On October 13, 2015, the Company announced that subject to obtaining the necessary shareholder approval, Era would be completing a share consolidation whereby for every 100 Era common shares, one post-consolidation Era common share will exist.
    - On October 27, 2015, the Company officially delisted from the POMSoX. Era's Port Moresby Stock Exchange Electronic Trading System Depository Interests ("**PDI's**") were suspended on October 19, 2015.
    - On November 16, 2015, the Company officially changed its name from Marengo Mining Limited to Era Resources Inc. The trading symbol on the Toronto Stock Exchange ("TSX") changed from MRN to ERX.
    - On November 16, 2015, the Company completed consolidation of common share on the basis of one post-consolidation common share for every 100 pre-consolidation common shares issued and outstanding.

- On April 18, 2016, the Company completed the voluntary move of its common share listing on the TSX to a Tier 2 listing on the TSXV.

- **Exploration & Development Activities** – In keeping with the Company's objective of advancing and optimizing the Yandera Project economics and building on its existing resource and future potential and consistent with the Company's global growth strategy, the following progress at the Company's operations has been made:
  - On May 5, 2015, the Company announced an updated resource estimate for its Yandera Project resulting in additional and improved resources. Refer to Table 1 for details.
  - The Company completed four holes (totalling 1,004.6 metres) at the Yandera Project at its newly identified Rima prospect (**"Rima"**).
  - The Company has previously described efforts to increase geological knowledge of the site and is pleased to report that this work has resulted in the identification of drilling targets that the Company is currently pursuing. Era's geologists have been equipped with advanced tools to analyse, model, interpret and assess the complex geology and mineralization. Training for geology and environmental staff continued during 2015, with more advanced tools expected to be added during the year. Transformation and development of both technical and operational teams is expected to continue throughout 2016.
  - Further to the comprehensive review completed during the latter part of fiscal year 2014, as described in the *"Company Overview"* section above, work on the 2015 updated resource has resulted in recognition of significant structural trends that are important controls for mineralization. Understanding these trends and the associated host lithologies has improved the geological model and lead to improved understanding of the copper mineralization. These models are being used to target areas that will improve and expand the existing resource, as well as generate prospective exploration targets well beyond the footprint of the resource.
  - On September 29, 2015, the Company announced that it acquired an option for the mineral concessions and purchased the related surface property rights for the La Cobota copper project in northern Mexico ("La Cobota").
  - During the period from mid-December 2015 to mid-January 2016, Era completed eight diamond drill holes totalling 955.6 metres at the La Cobota project.
  - On February 10, 2016, the Company announced diamond drilling results from the La Cobota copper project in Mexico.
  - On March 11, 2016, the Company announced that it had terminated the option agreement for the mining concessions at the La Cobota copper project.
  - On April 6, 2016, the Company announced results of the proximal surface exploration program at its Yandera Project, and plans for a drilling campaign in 2016.
  - On May 9 2016, the Company announced that an infill drilling campaign and a scoping study are underway for the Yandera Project.

Yandera Project, Papua New Guinea

The Company's wholly-owned Yandera Project is located 95 kilometres southwest of the northern seaport of Madang in Papua New Guinea and situated within the highly prolific New Guinea Copper-Gold Belt that is host to many major producing mines. The Yandera porphyry system is located within the central portion of the granted 624-square kilometre exploration licences that cover over 100 kilometres of strike over the highly prospective Bundi Fault zone.

On May 5, 2015, the Company announced an updated resource estimate for its Yandera Project. This resource estimate has been prepared pursuant to the requirements of National Instrument 43-101 - Standards of Disclosure for Mining Projects ("**NI 43-101**") and the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("**JORC**").

Highlights of the Yandera Resource Estimate:

- Measured and Indicated Resources total 630 million tonnes grading 0.33% copper, 0.01% molybdenum and 0.07 ppm gold; or 0.41% copper equivalent (full breakdown by category is shown below);

- Inferred Resources total 117 million tonnes grading 0.30% copper, 0.005% molybdenum and 0.05 ppm gold; or 0.34% copper equivalent.

This 2015 Measured and Indicated copper-equivalent (CuEq) resource estimate for Yandera represents an update of the 2012 resource estimate, which was evaluated on a copper-only basis without the contributing value of ancillary molybdenum (Mo) and gold (Au) that would be produced with the copper (Cu). Other enhancements of the 2015 resource estimate include:

1) Incorporation of positive infill/upgrade drilling results from the principal resource areas (Gremi, Imbruminda and Omora) and also at the Dimbi and Rima advanced exploration prospects;
2) Refinement of the resource tonnage from the addition of nearly 4,000 new density measurements;
3) A reconstruction of the geologic framework focused on host rock and structural controls from the first-time application of oriented drill core data.

Yandera is an igneous-hosted, structurally-controlled Cu-Mo-Au porphyry system comprised of a series of adjacent deposits along recognized structural trends. Mineralization is related to multiple pulses of intrusive rock and hydrothermal alteration. Grade has spatial correlation with late dacite intrusions and polymicticbreccias with over-printing phyllic alteration. Broad tabular zones of copper mineralization extend from surface to depths of over 500 metres and have been drill-defined to a strike length of over 5 kilometres.

The resource block model was informed by 35,250 samples from 553 drill holes at an average drill hole spacing of less than 30 metres in the principal resource areas (Gremi, Imbruminda and Omora) and less than 100 metres in other deposits within the model space.

Mineral resources were estimated by Ordinary Kriging using MineSight® software in 25 by 25 by 10 metre blocks (XYZ), constrained by grade shells based on a 0.15% Cu cut-off. Grade estimates within the grade shells were based on capped, five-metre composited assay data. Capping was conducted prior to compositing. The resource model was validated by visual inspection, statistical comparisons of block values to source data and comparison of Kriged results to other interpolation methods and swath plots. Resources were classified into Measured, Indicated and Inferred categories based on Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") definition standards sufficient for NI 43-101 and JORC reporting.

In order to establish a reasonable prospect of eventual extraction in an open pit/sulfide-flotation and oxide-leach context, the mineral resources presented above are reported within a potentially mineable pit configuration at a copper price of US$3.50/lb Cu, a molybdenum price of US$15/lb Mo and a gold price of US$1500/oz Au; metallurgical recoveries of 90% for Cu, 85% for Mo and 65% for Au; mining cost of US$2.50/tonne of material mined; and process and general and administrative costs of US$10.00/tonne of material processed. Additional factors include a 2% royalty to the PNG government and a pit slope of 45 degrees.

The resources are reported within the pit configuration above using an internal copper-equivalent cut-off grade of 0.15% CuEq. The metal prices, recoveries and costs listed above were used to define copper-equivalent cut-off.

The metal ratios for reporting copper equivalent are:

*CuEq = Cu% + (Mo%*4.05) + (Au ppm*0.45)*

These metal ratios were developed using the metal prices and recovery assumptions listed above. Recoveries are based on metallurgical test work carried out by Era in 2011.

The Mineral Resource Statement, with an effective date of May 1, 2015, is presented in Table 1. The resource estimate has been reported as a total, and as oxide and non-oxide components, as these material types will have different metallurgy and will have different recovery characteristics and costs.

The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral

resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

The Yandera Mineral Resource Statement was prepared by J.B. Pennington, MSc., C.P.G., and Justin Smith, BSc., P.E., both of SRK Consulting (U.S.), Inc., Reno, Nevada, and provides a classification of resources in accordance with CIM Standards on Mineral Resources and Mineral Reserves: Definitions and Guidelines, November 27, 2010.

For further information on the Yandera Project, please refer to the technical reports titled "Technical Report Updated Resource Estimate Yandera Copper Project Papua New Guinea" dated June 19, 2015, and "Yandera Copper Project, Madang Province, Papua New Guinea" dated April 2012, available on the Company's website and on SEDAR.

Table 1. - Mineral Resource Statement Effective May 1, 2015 for the Yandera Copper, Molybdenum, Gold Deposit, Madang Province, Papua New Guinea. (0.15 CuEq (%) Cut-off)

Zone	Classification	Mass	Metal Grades				Contained Metal				
		(kt)	Cu (%)	Mo (%)	Au (ppm)	CuEq (%)	Cu (kt)	Mo (kt)	Au (kg)	Au (koz)	CuEq (kt)
Total Resource	Measured	195,267	0.37	0.013	0.076	0.46	723	25	14,803	476	890
	Indicated	434,874	0.32	0.008	0.069	0.38	1,379	37	29,940	963	1,663
	Measured & Indicated	**630,141**	**0.33**	**0.010**	**0.071**	**0.41**	**2,102**	**62**	**44,743**	**1,439**	**2,553**
	Inferred	117,474	0.30	0.005	0.052	0.34	348	6	6,055	195	401
Oxide Resource	Measured	22,426	0.38	0.00	0.000	0.38	86	0	0	0	86
	Indicated	38,715	0.33	0.00	0.000	0.33	127	0	0	0	127
	Measured & Indicated	**61,141**	**0.35**	**0.00**	**0.000**	**0.35**	**213**	**0**	**0**	**0**	**213**
	Inferred	10,765	0.28	0.00	0.000	0.28	30	0	0	0	30
Non Oxide Resource	Measured	172,841	0.37	0.014	0.086	0.47	638	25	14,803	476	805
	Indicated	396,160	0.32	0.009	0.076	0.39	1,253	37	29,940	963	1,537
	Measured & Indicated	**569,001**	**0.33**	**0.011**	**0.079**	**0.41**	**1,891**	**62**	**44,743**	**1,439**	**2,342**
	Inferred	106,709	0.30	0.006	0.057	0.35	318	6	6,055	195	371

• Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that any part of the Mineral Resources estimated will be converted into a Mineral Reserves estimate;

• Resources stated as contained within a potentially economically minable open pit; pit optimization was based on assumed copper, molybdenum, and gold prices of US$3.50/lb, US$15.00/lb, and US$1,500.00/oz, respectively, recoveries of 90% for Cu, 85% for Mo, 65% for Au, a mining cost of US$2.50/t, an ore processing cost of US$10.00/t, and a pit slope of 45 degrees;

• Resources are reported using a 0.15 % CoG on an Equivalent Copper value that included process recoveries for metal;

• The CuEq was calculated using the formula CuEq = Cu% + (Mo% * 4.05) + (Au ppm * 0.45); and,

• Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding.

Exploration and Development Activities for the Three and Nine Months Ended March 31, 2016

In the second quarter of fiscal year 2014, following a review of the technical work conducted to date in support of a feasibility study for the Yandera Project, the board of directors of the Company decided that additional work was required in a number of specific areas before a feasibility study could be completed, including further optimization opportunities to enhance project economics, namely:

- As initial starter pit grades are insufficient to cover increased capex, revert to exploration in order to locate and improve existing grades;
- As waste to mineralized material strip ratios over inferred resource cause pit slopes to be steepened beyond design parameters with a loss of resources as a result, additional work was begun to identify new resources that may improve the waste to mineralized material ratios;
- New conceptual models are being developed that will in turn allow for the creation of new resource models. This may allow the identification of better or new high grade zones that may form the basis for a new mine plan;
- Identifying an alternative cost-competitive source of power for the Yandera Project after Era's preferred third party power provider withdrew from the proposed power supply arrangements;
- A review of processing plant throughput rates;
- Reviewing the option of Deep Sea Tailings Placement (DSTP) versus a land-based Tailings Management Facility (TMF); and
- Further optimization of the mine plan.

During the YTD 2016 period and through the date of this MD&A, the Company is continuing the activities outlined above.

Exploration Program

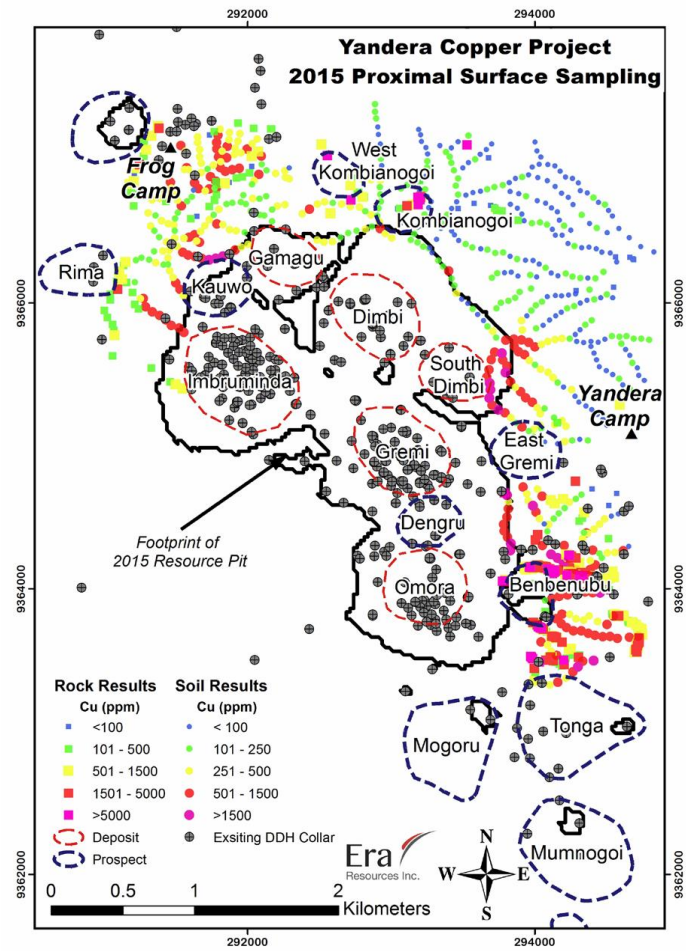
Proximal Exploration Program at Yandera

During the latter portion of 2015, geologists mapped and collected 543 rock and 581 soil samples from areas around the footprint of the resource estimate announced in May of 2015. This field work was designed to identify prospective zones outside the limits of the 2015 resource and to develop quality drill targets to expand the resource.

Results from this work show copper mineralization at surface in the Kauwo, South Dimbi-East Gremi and Benbenubu prospect areas, where a number of assays from samples indicated copper concentrations in excess of 0.15% Cu in soils and 0.5% Cu in rocks (Figure 1). These results enhance historical surface geochemistry and are encouraging for expanding the edges of the resource into these prospects, especially in the area southeast of Gremi and Omora.

Detailed work on the geologic model and further analysis of the 2015 resource estimation revealed opportunity to in-fill some gaps within the constraining pit model with additional drilling. Era anticipates drilling approximately 6,000 metres of core to add data to some of these gaps. Positive results in these areas would allow conversion of some of the 'in-pit' waste to ore and could allow pit access to known deeper copper mineralization.

Figure 1. Copper Results from the proximal surface exploration program. Note that the solid squares represent rock samples, and the solid circles represent soil samples.



Infill Drilling Campaign

On May 9, 2016, Era announced that its 2016 infill drilling campaign and a scoping study are underway at the Yandera's Project. The infill drilling will test targets in the Omora, Gremi, Dimbi, Gamagu and Imbruminda areas, and then begin testing proximal targets. The Company is highly focused on the opportunity to enhance and expand the 2015 resource estimate with targeted drilling within the framework of an improved geologic model. It is anticipated that drilling will be completed by the end of August 2016 in preparation for an updated resource targeted for the end of the calendar year.

Era has appointed Advisian, part of the Worley Parsons Group, to undertake a scoping and optimization study, which is expected to be completed in the current quarter. The outcome of the study will form the base case for further refinement through prefeasibility and feasibility study phases.

Further to the in-fill drilling, Era anticipates drilling approximately 2,500 metres of core to test for extensions of copper mineralization outside of the resource in prospective areas examined in the 2015 proximal surface program. Positive results in these areas would expand the footprint of the 2015 resource pit and add total tonnage to the overall resource.

Era expects to begin the drilling program at Yandera very early in the next fiscal quarter, barring delays due to the rainy season.

Quality Control

Analyses were completed by Intertek Labs utilizing fire assay and multi-element ICP-OES methods with internal checks, blanks, duplicates and standards at various intervals in the sequence of samples. Era also inserted standards within the

sequence of samples. Data referenced herein was prepared under the supervision of Dr. Nathan Chutas, Exploration Manager, certified professional geologist and Qualified Person as defined by NI 43-101.

Regional Exploration at Yandera

In November and December of 2015, a field crew completed rock and soil sampling and surface mapping at a poorly understood copper prospect about 6 km to the southeast of the 2015 resource at Yandera. This program examined occurrences of narrow, high-grade copper mineralization observed by previous workers and some local prospectors in the Pomieai area. Results from this program are expected to be finalized in the next quarter.

Work Program Outlook

Management recognizes that additional and improved resources are required to elevate the Yandera deposit to one that is economically robust and to justify proceeding with the feasibility study. To realize that objective, the Company's planned work program going forward will comprise the following activities:

- Update the scoping study to incorporate processing of oxide mineralization as well as the expanded sulphide resource;
- Complete a two-staged exploration program aimed at further expansion of the resource through targeted infill and peripheral drilling; and
- Actively evaluate development options, including mine plan, mineral processing, facilities and infrastructure requirements, deep sea tailings placement, power supply, and requisite approvals.

La Cobota Project - Mexico

On September 29, 2015, the Company acquired an option for the mineral concessions and purchased the related surface property rights for the La Cobota copper project in northern Mexico.

The La Cobota Project is strategically located in the Laramide Metallogenic Belt of southwest North America, which hosts numerous world class porphyry deposits and contains widespread occurrences of iron-oxide mineralization. The project area is characterized by copper-silver mineralization that is observed at surface in the form of copper carbonate staining and fracture coatings associated with zones of intense iron oxide alteration and veins.

The project also incorporates the historical La Cobota underground mine where gossanous copper-silver mineralisation up to 60 feet (18 metres) wide, associated with a number of northeast trending massive iron oxide veins, are exposed at surface. Historical reports and maps of the mine workings indicate that the mineralization was exploited up to a maximum depth of approximately 200 feet (60 metres) below surface and that approximately 1,500 feet (460 metres) of development work had been completed on a number of levels.

No resource or reserves have been estimated at the La Cobota Project.

Era acquired the surface property rights for an approximate amount of $0.3 million to ensure unrestricted access to the mineral concessions. Era was also a party to an option agreement for the mining concessions.

Under the terms of the option agreement for the mineral concessions, Era had:

- The exclusive right to conduct exploration and spending $0.5 million prior to July 1, 2016; and
- The exclusive and irrevocable right to acquire 100% of the mineral concessions for a fixed amount of $0.3 million, subject to a 2.5% Net Smelter Return royalty interest to be granted to the vendor of the mineral concessions.

Though copper and silver mineralization was successfully intersected during the drilling program, the overall results do not support further development work under the currently challenging commodity price and economic circumstances (drilling results are summarized below). As a result, Era announced on March 11, 2016 that it formally terminated the option agreement for the mining concessions at the La Cobota copper project.

During the nine-month period ended March 31, 2016, the Company recorded a write down of the property in the amount of $0.4 million.

Diamond Drilling Results at La Cobota

During the period from mid-December 2015 to mid-January, Era completed eight diamond drill totalling 955.6 metres at the La Cobota project (Table A and Figure A). Drilling was designed to test the continuity and grade of an outcropping mineralized structure that was the focus of historical underground mining operations. Assay results from the drilling (Table B) confirm the presence of high grade copper-silver mineralization and suggest that the mineralization occurs within a north-east plunging shoot.

Mineralization at La Cobota is hosted within a complex iron-oxide vein system which transects an equigranular to porphyritic quartz monzonite intrusion. The main vein (Vein #1, Figure B) targeted by drilling is heavily oxidized and composed of massive to semi-massive magnetite and hematite. Copper mineralization principally occurs as fine-grained chalcocite, with some native copper and other copper oxides. Minor remnant chalcopyrite and pyrite is also observed. The vein is faulted and brecciated to a variable degree; and is locally intruded by mafic dykes that appear to stope-out the mineralization. Drilling intersected a major fault beneath the historical mine workings that juxtaposes the quartz monzonite against a polymictic meta-conglomerate unit. This fault is interpreted to be a thrust structure which may truncate the mineralized vein at depth.

The assay results from the diamond drilling at La Cobota suggest that the mineralized iron oxide vein has significantly more structural complexity and grade variability than was originally anticipated from surface mapping and the available historical mining records.

The scientific and technical information was authorized by Mr Lachlan Reynolds, BSc, MAusIMM, MAIG.

Mr. Reynolds is a full-time employee of Era Resources Inc. and is a Qualified Person for the purposes of NI 43-101.

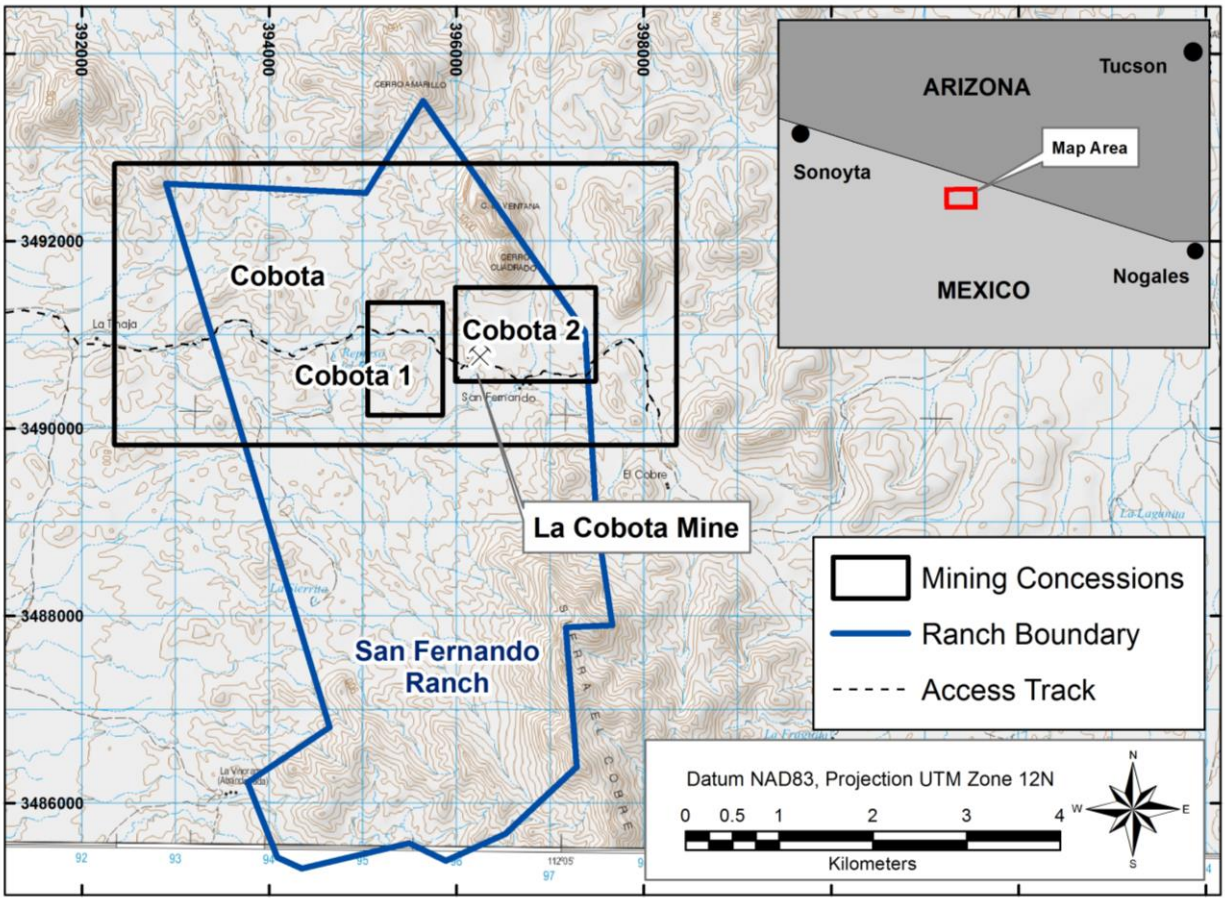


Figure A: Location of the La Cobota project, Sonora, Mexico

Diamond Drilling Program

A total of eight diamond drill holes were completed at the Project (Figure B), for a total of 955.6 metres of drilling (Table A). Seven of these holes (15LC001-006 and 16LC007) were targeted at the main mineralized structure (Vein #1), which was the principal site of historical mining operations. An eighth and final hole was subsequently completed to test a number of mapped veins in the hangingwall to the northwest of Vein #1.

Table A: Summary of diamond drilling completed at the La Cobota Project

Hole ID	Coordinates*		Azimuth	Inclination	Depth	Date
	East (m)	North (m)	(º)	(º)	(m)	Completed
15LC001	396,228	3,490,725	164	-75	203.55	09/12/2015
15LC002	396,231	3,490,727	164	-50	110.75	11/12/2015
15LC003	396,307	3,490,728	191	-70	90.70	13/12/2015
15LC004	396,307	3,490,728	191	-85	91.10	15/12/2015
15LC005	396,308	3,490,729	140	-70	94.80	17/12/2015
15LC006	396,308	3,490,729	140	-85	95.65	19/12/2015
16LC007	396,351	3,490,744	140	-70	106.35	09/01/2015
16LC008	396,140	3,490,783	180	-60	162.70	13/01/2016
Total:					**955.60**	

*Coordinatedatum NAD84, UTM Zone 12N

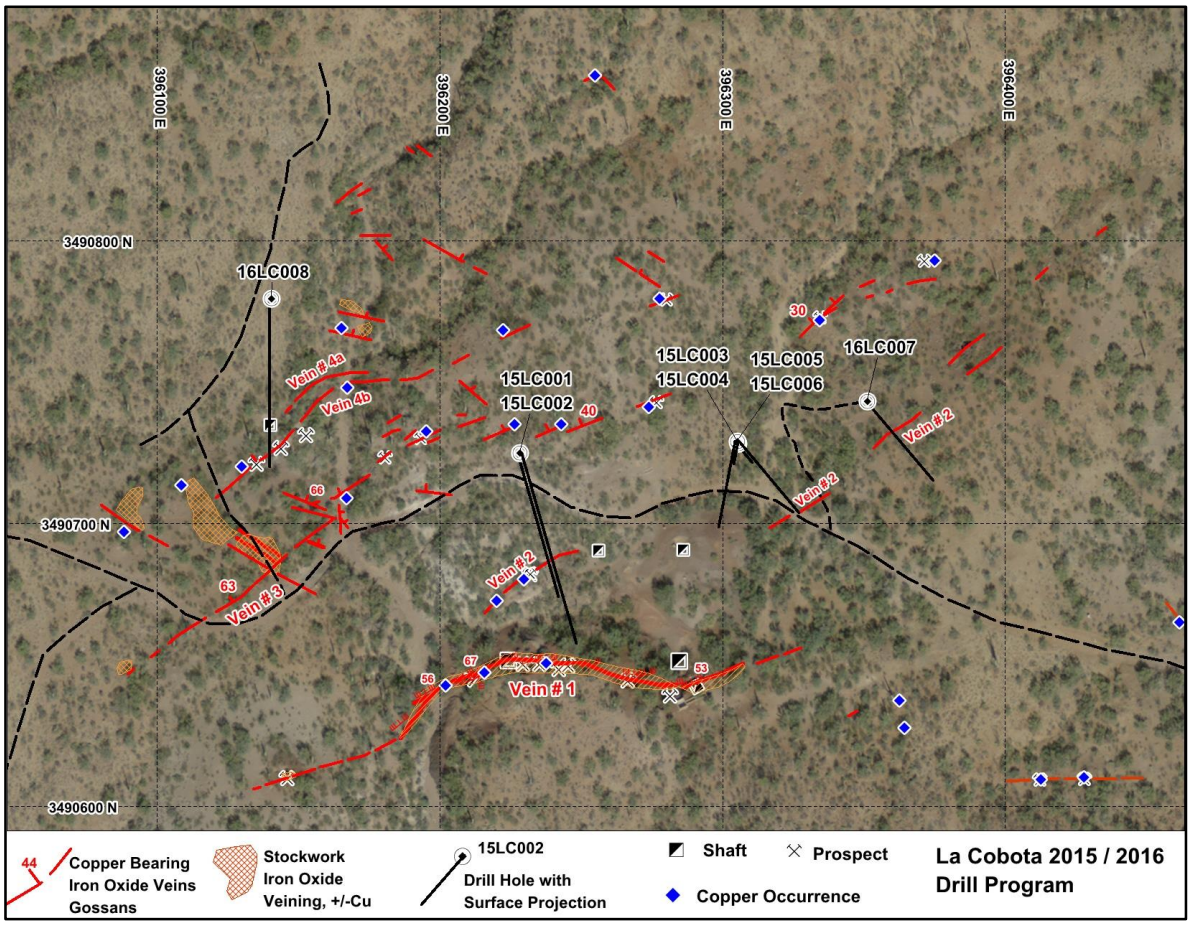


Figure B: La Cobota Project Drill Status Plan

Assay Results

A total of 264 half-core samples were collected from the drill core using a diamond saw. Samples were transported to the Bureau Veritas (BV) sample preparation laboratory in Caborca, Mexico. Gold fire assays were completed at the BV analytical laboratory in Hermosillo, Mexico. A multi-element assay suite was analysed at the BV analytical laboratory in Vancouver, Canada.

A quality assurance/quality control ("QAQC") procedure adopted by the Company confirms that assay results are reliable. This procedure included routine analysis of blank samples and certified standard reference materials. In addition, BV implemented an internal QAQC procedure consisting of blanks, duplicates, repeats and standard reference materials.

Significant mineralized intersections from the diamond drilling are show in Table B. Intersections have been calculated using a 0.1% Cu cut-off, including a maximum of 1 metre internal dilution. Higher grade zones have been calculated using a 0.5% Cu cut-off, including a maximum of 1 metre internal dilution

Table B: Mineralized intersections from La Cobota diamond drilling program

Hole ID	From (m)	To (m)	Length* (m)	Cu (%)	Ag (ppm)	Comment
15LC001	7.6	10.6	3.0	0.18	0.63	No significant intersections
	64	67	3.0	0.19	1.00	
15LC002	59.2	60.2	1.0	0.10	2.50	No significant intersections
15LC003	18.35	19	0.65	0.65	3.00	
	23	28.15	5.15	0.59	1.59	Vein #2
including	24.5	27.45	2.95	0.92	2.12	
	55.8	63.4	7.6	0.65	2.99	Vein #1
including	60.4	63.4	3.0	1.25	5.67	
15LC004	19.9	25	5.1	0.30	1.17	Vein #2
including	20.95	21.95	1.0	0.97	2.10	
	68.2	74.95	6.75	0.21	0.91	Vein #1
15LC005	18.2	19.75	1.55	1.42	3.57	Vein #2
including	18.95	19.75	0.8	2.49	5.70	
	66.65	75.82	9.17	1.27	20.45	Vein #1
including	68.8	75.82	7.02	1.60	26.38	
including	68.8	71.4	2.6	2.76	53.75	
15LC006	18.3	19.85	1.55	1.25	3.37	Vein #2
including	19.3	19.85	0.55	3.30	8.60	
	24.75	27	2.25	0.60	0.73	
including	24.75	25.75	1.0	0.84	0.70	
	74.2	81.6	7.4	0.15	0.46	Vein #1
16LC007	4.4	6.75	2.35	0.44	4.53	
	12	19	7.0	0.38	2.18	
including	17.7	18.4	0.7	1.50	4.80	
	20.75	24.25	3.5	1.62	3.52	Vein #2
including	21.6	23.35	1.75	3.06	4.75	
16LC008	32.75	43.3	10.55	0.19	0.95	Vein #4

* Downhole length, close to true width due to the angle of drilling intersections with vein structures

Financial Capability

The Company is an exploration and development stage entity and has not yet achieved profitable operations. It is subject to risks and challenges similar to companies in a comparable stage of development. These risks include, but are not limited to, the challenges of securing adequate capital to fund its activities, operational risks inherent in the mining industry and global economic and commodity price volatility. The underlying value of the Yandera Project and the recoverability of the related capitalized costs are dependent on the Company's ability to successfully develop the Yandera Project by, among other things,

securing necessary permits, obtaining the required financing to complete the development and construction and upon future profitable production from, or the proceeds from the disposition of, its mineral property.

For Q3 2016, the Company incurred a comprehensive loss of $5.2 million (Q3 2015— $19.7 million) and reported accumulated comprehensive losses of $94.8 million (Q3 2015— $96.3 million). As at March 31, 2016, the Company had a working capital deficiency of $29.9 million (Q3 2015— $15.3 million). The Company's sole source of funding during Q3 2016 has been available cash from the issuances of convertible debt instruments to Sentient during FY 2015 and YTD 2016.

As at March 31, 2016, the Company had $4.9 million in available cash and cash equivalents (June 30, 2015— $4.8 million) and less than $0.1 million in short term investments held as restricted cash on March 31, 2016 and June 30, 2015 respectively. There are no sources of operating cash flows. Given the Company's current financial position and the ongoing exploration and evaluation expenditures on the Yandera Project, Era's major shareholder, Sentient has to date provided financial assistance to the Company. The section below under the header *"Liquidity and Capital Resources – Financing Activities"* sets out the details of the restructuring of the Company's financial commitments and financing transactions with Sentient.

The Company will need to raise additional capital through the issuance of equity or other available financing alternatives in parallel with financial support provided by Sentient in order to continue funding its operating, exploration and evaluation activities, and eventual development of the Yandera Project. Although the Company has been successful in its past fund-raising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

These circumstances, along with other risks relevant to exploration companies, such as continuing losses, result in material uncertainty that lends significant doubt as to the ability of the Company to fulfil its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern.

Management expects that additional funding will be provided from Sentient or other sources, and therefore the Financial Statements have been prepared on the basis that the Company will continue as a going concern. The going concern basis of presentation assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2016. Different bases of measurement may be appropriate when a Company is not expected to continue operations for the foreseeable future.

Selected Financial Information

The amounts are derived from the unaudited condensed interim consolidated financial statements prepared under IFRS.

In thousands of US dollars, except per share amounts	**Three months ended March 31,**		**Nine months ended March 31,**	
	2016	**2015**	**2016**	**2015**
Interest income	**4**	2	7	3
Other income (loss)	**2,749**	(9,563)	29,792	894
Income (loss) from continuing operations	**(3,164)**	(13,415)	13,158	(12,669)
Income (loss) per share basic	**(0.28)**	(1.18)	1.16	(1.11)
Loss per share diluted	**(0.28)**	(0.02)	(0.03)	(0.07)

Results of Operations

Other income (loss) is comprised of income (loss) due to the movement in fair value of the derivative liability in relation to the conversion option feature contained in the convertible debentures and income from an interest reversal resulting from the extinguishment of debt pursuant to the new terms following the financing transaction completed in November 2015.

Net loss in Q3 2016 was $10.3 million lower than net loss in Q3 2015. The decrease is mainly driven by other income of $2.7 million compared to a loss of $9.6 million in Q3 2015 resulting in a $12.3 million increase (quarter-over-quarter) offset by higher financing costs in Q3 2016. The financing costs comprised of the interest / accretion expense on the convertible debentures were $4.9 million in Q3 2016 compared to $3.0 million in Q3 2015 ($1.9 million increase quarter-over-quarter). The higher financing costs in Q3 2016 resulted from higher debt loads compared to the prior year's quarter. Administrative expenses in Q3 2016 were $0.1 million higher compared to Q3 2015 due to costs incurred in relation to the La Cobota project.

In thousands of US dollars, except per share amounts	**March 31, 2016**	**June 30, 2015**
Total assets	**139,984**	149,900
Non-current financial liabilities	**7,279**	5,997
Investment in exploration and evaluation assets	**3,081**	4,669
Cash flows from financing activities, net of direct costs	**6,908**	14,161

Total Assets

Total assets at the end of the Q3 2016 period decreased by a net of $9.9 million from the end of FY 2015. The change is largely attributed to a net increase of negative currency translation adjustments of $13.9 million arising from the translation of foreign denominated assets, mainly attributed to exploration and evaluation assets of $13.9 million offset by an increase to cash and cash equivalents position of $0.1 million, and net increase to exploration and evaluation assets of $3.6 million and increase to property, plant and equipment additions of $0.3 million.

Non-Current Liabilities

Non-current liabilities are comprised of the debt component of the convertible unsecured debentures issued in December 2014 and in November 2015, respectively. Non-current liabilities increased by $1.3 million in Q3 2016 compared to FY 2015 due to the new debt issuance in November 2015 and reduction of existing debt resulting from revaluation pursuant to the financing transaction completed during in November 2015.

Investment in Exploration and Evaluation Assets

Investment in exploration and evaluation assets relates primarily to the Yandera Project. During the period of YTD 2016, the Company also acquired surface property rights for the La Cobota copper Project in Mexico. In Q3 2016, the Company spent a total of $1.7 million in additions to exploration and evaluation assets. In aggregate, exploration and evaluation assets decreased by $10.3 million in Q3 2016 due to an increase of $13.9 million in negative translation adjustments arising from the translation of foreign denominated currency balance and a write down of $0.4 million offset by additions of $4.0 million.

Cash Flows from Financing Activities

As a result of the financing transaction with Sentient completed in November 2015, the Company received net proceeds from borrowings of $6.9 million during YTD 2016. During YTD 2015, the Company received net proceeds from borrowings of $14.2 million.

Quarterly Results of Operations

The results of operations for the eight most recently completed fiscal quarters are summarized in the following tables, which have been derived from the financial statements of the Company prepared in accordance with IFRS.

In thousands of US dollars, except per share amounts	**2016 3rd quarter**	**2016 2nd quarter**	**2016 1st quarter**	**2015 4th quarter**
Statement of (Loss) / Profit				
Interest income	4	1	2	3
Other income (loss)	2,749	24,848	2,195	10,534
Net (loss) income	(3,164)	19,039	(2,717)	6,630
Net (loss) income per share — basic	(0.28)	1.67	(0.24)	0.58
Net loss per share — diluted	(0.28)	(0.01)	(0.24)	(0.01)
Statement of Financial Position				
Cash, cash equivalents and short term investments	4,984	7,524	2,957	4,879
Total assets	139,984	142,937	143,956	149,900
Total non-current financial liabilities	7,279	6,299	6,438	5,997

In thousands of US dollars, except per share amounts	2015 3rd quarter	2015 2nd quarter	2015 1st quarter	2014 4th quarter
Statement of (Loss) / Profit				
Interest income	2	1	-	1
Other (loss) income	(9,563)	12,956	(2,499)	4,278
Net (loss) income	(13,415)	8,064	(7,318)	(72)
Net (loss) income per share — basic	(1.18)	0.71	(0.64)	(0.01)
Net loss per share — diluted	(1.18)	(0.03)	(0.64)	(0.02)
Statement of Financial Position				
Cash, cash equivalents and short term investments	6,850	8,989	4,195	520
Total assets	155,474	162,614	163,038	162,303
Total non-current financial liabilities	37,183	34,362	23,086	17,222

Three Months Ended March 31, 2016, and March 31, 2015

Net loss of $3.2 million in Q3 2016 compared to a net loss of $13.4 million in Q3 2015 resulted in a decrease of $10.2 million and was due to the following events with other income being the most significant:

- Other income in Q3 2016 is comprised of a gain due to the movement in fair value of the derivative liability in relation to the conversion feature option contained in the convertible debentures. The fair value adjustment on the derivative financial instrument resulted in $2.7 million in Q3 2016 compared to $9.6 million in Q3 2015 resulting in $12.3 million increase (quarter-over-quarter). Changes in fair value of the derivative liability are impacted by changes in assumptions and inputs used to determine the fair value, the most significant of which are the Company's share price, volatility and life of the options;

  The increase in other income was reduced by the following expenditures:

- Financing costs comprised of the interest / accretion expense on the convertible debentures were $5.0 million in Q3 2016 compared to $3.0 million in Q3 2015 ($2.0 million increase quarter-over-quarter). The higher financing costs in Q3 2016 resulted from higher debt loads compared to the prior year's quarter.

- General and administrative expenses in Q3 2016 of $0.9 million were higher by $0.1 million when compared to Q3 2015 of $0.8 million. The increase is primarily due to additional administrative costs in Q3 2016 incurred in relation to the La Cobota property acquired in September 2016.

Nine months ended March 31, 2016 and March 31, 2015

The Company incurred net income of $13.2 million for YTD 2016 compared to a net loss of $12.7 million in the corresponding prior year's period resulting in net increase of $25.9 million (period-over-period). The key item contributing to a higher income in YTD 2016 was other income of $29.8 million compared to a gain of $0.9 million in YTD 2015. The other income is comprised of a gain due to the fair value revaluation on the derivative financial instrument and income resulting from interest reversal due to the new terms pursuant to the financing transaction completed in November 2015. Other income resulted in $28.9 million increase (period-over-period). The changes in fair value of the derivative liability are impacted by fluctuations in assumptions and inputs used to determine the fair value such as the Company's share price, volatility and life of the option.

The net income was further increased by the following lower expenditures:

- Lower general and administration expenses of $3.0 million in YTD 2016 compared to the YTD 2015 balance of $3.2 million ($0.2 million decrease period-over-period). The decrease is primarily due to severance payments incurred during YTD 2015.

- Exploration and evaluation assets written off during YTD 2016 were $0.4 million compared to a $0.5 million in YTD 2015 resulting in a decrease of $0.1 million.

The net income was decreased by higher financing costs in YTD 2016 totalling $13.0 million, compared to $9.7 million of costs in YTD 2015 ($3.3 million increase period-over-period). The increase resulted from higher debt loads in YTD 2016 compared to YTD 2015.

Liquidity, Capital Resources and Going Concern

Liquidity

The main sources of liquidity are the Company's cash and cash equivalents, investments in term deposits, stock option exercises, equity issuances and debt instrument issuances. As at March 31, 2016, cash and cash equivalents were $4.9 million compared to $4.8 million at June 30, 2015.

The Company's principal requirements for cash over the next twelve months will be to fund the ongoing exploration costs at the Yandera Project, general corporate and administrative costs and to service the Company's current obligations. The Company will defer discretionary expenditures, as required, in order to manage and conserve cash.

The Letter of Agreement signed with Sentient on October 13, 2015 for the proposed financing transaction of $14.0 million, of which the first tranche of $7.0 million was completed following the requisite shareholder approval obtained on November 13, 2015, and proceeds from the second tranche of $3.0 million and $4.0 million received in April 2016 and May 2016, respectively, will improve the liquidity and increase the capital resources of the Company.

Working Capital

As at March 31, 2016, the Company had a working capital deficiency of $29.9 million (June 30, 2015— $40.5 million), calculated as total current assets less total current liabilities. The decrease in working capital deficiency by $10.6 million is mainly due to a decrease in current liabilities of $10.5 million and increase to cash and cash equivalents of $0.1 million.

At the end of Q3 2016, the Company had current liabilities of $35.1 million (June 30, 2014— $45.6 million). The decrease of $10.5 million is due to a decrease to loans and borrowings of $3.8 million, a decrease to a derivative financial instrument by $7.1 million offset by an increase to trade and other payables by $0.4 million.

Going Concern

The underlying value of the Company's exploration and evaluation assets is dependent upon the existence, and economic recovery of mineral reserves in the future and the ability of the Company to raise funds to continue and complete the development of the Yandera Project and to obtain all necessary permits. In addition, the Yandera Project may be subject to political and economic instability risks, unfavourable changes in existing government regulations, adverse metal market prices, etc.

As at March 31, 2016, the Company had no sources of operating cash flows and did not have sufficient cash to fund the development of the Yandera Project. The Company will need to raise additional capital through the issuance of equity or other financing alternatives in parallel with financial support provided by its major shareholder, Sentient, in order to continue funding its operating, exploration and evaluation activities, and the eventual development of the Yandera Project. Although, the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future. If funds are not raised, it would result in further curtailment of activities and Yandera Project delays.

These circumstances, along with other risks relevant to exploration companies, such as continuing losses, result in material uncertainty which lends significant doubt as to the ability of the Company to fulfil its exploration and development activities and, accordingly, the appropriateness ultimately of the use of the accounting principles applicable to a going concern.

Considering the risks listed above, management's balanced assessment of the Company is that it remains a going concern. The Company has been accounted for as a going concern in the Financial Statements.

The Company's contractual obligations as at the end of March 31, 2016 are set out below:

Contractual Obligations *In thousands of US dollars*	**Total**	**Less than 1 year**	**1–2 years**	**After 2 years**
Trade and other payables	2,196	2,196	-	-
Provisions	196	196	-	-
Derivative financial instrument	2,523	2,523	-	-
Convertible debentures[(1)]	37,513	30,234	7,279	-
Total contractual obligations	**42,428**	**35,149**	**7,279**	**-**

[(1)] The convertible debentures issued to Sentient represent unsecured debt. The debt is convertible into common shares at the option of the holder, or repayable by the Company on the due date. The presentation shown above assumes payment is made in cash and also assumes no conversions of the convertible debentures into common shares by the holders prior to the maturity date.

Financing Activities

On November 20, 2015, following the requisite shareholder approval obtained on November 13, 2015, the Company completed the issuance of $7,000 principal amount of convertible unsecured debentures (the "Investment Debentures") to Sentient pursuant to the financing agreement dated October 13, 2015. The proceeds from the second tranche were received in April 2016 and May 2016 in the amounts of $3.0 million and $4.0 million respectively.

The debentures mature on December 31, 2017 and do not bear interest. Each US$1,000 principal amount of debentures is convertible into common shares of the Company at a conversion price of C$0.45 per common share on a post-consolidation basis, rounded up to the nearest common share. Each debenture is convertible, in whole or in part, at the option of Sentient at any time, into common shares, intended to be freely tradable on an Exchange, at the conversion price, for each US$1,000 principal amount of debentures, subject to adjustment in certain circumstances.

The conversion price for existing outstanding debentures of the Company held by Sentient pursuant to the terms of prior debenture financings between the Company and Sentient completed in 2014, was adjusted to C$0.45 per common share on a post-consolidation basis.

Consistent with the Company's accounting policy, the Investment Debentures were initially measured at fair value, net of direct expenses, then subsequently at amortized cost. The fair value, net of direct costs resulted in amount of $2,477 for Investment Debentures.

The transaction completed on November 20, 2015 resulted in substantial modifications of the terms of the existing convertible debentures issued on January 15, 2014, July 15, 2014 and December 18, 2014. The conversion prices were reduced from C$0.01 to C$0.0045 (C$0.45 on a post consolidation basis), and the debentures no longer bear interest. The modified terms also resulted in income due to the reversal of interest that was recognized up to date of this modification. The modified terms significantly changed the discounted present value of cash flows. Due to the zero coupon interest rate, the existing debentures were fair valued using the present value methodology. The principal face values were discounted based on the prorated effective interest rate derived from the fair value of the Investment Debentures. The existing debentures were extinguished and new fair values of the convertible debentures were recognized.

In connection with Era's listing move to the TSXV, the Company entered into an amending agreement with Sentient on February 23, 2016 to extend the maturity of the outstanding debentures the Company held by Sentient that were previously set to mature on June 30, 2016 to now mature on September 30, 2016 with no effect on any of the outstanding debentures of the Company previously set to mature at later dates. Pursuant to the amending agreement, Sentient has also agreed to amend the terms of all of the previously-issued debentures held by Sentient such that the holder thereof shall not be entitled to exercise its right of conversion prior to October 1, 2016 if such conversion would result in the failure by the Company to comply with the minimum 10% public float requirements under the policies of the TSXV.

The modified maturity terms as per the amending agreement dated February 23, 2016 resulted in significant changes to the discounted present values of cash flows for debentures issued on January 14, 2014 and July 15, 2014 which were previously set to mature on June 30, 2016.

Due to the zero coupon interest rate (as a result of the change in terms due to the modification on November 20, 2015), the existing debentures were fair valued using the present value methodology net of direct costs. The principal face values were discounted based on the prorated effective interest rate derived from the fair value of the Investment Debentures issued in November 2015. The existing debentures were extinguished and new fair values of the convertible debentures were recognized.

The following tables display debt instruments issued and outstanding as at March 31, 2016 and the activities of the Company's current and long term debt instruments for the nine-month period ended March 31, 2016.

March 31, 2016 *In thousands of US dollars*	**Principal Face Value**	**Maturity**
January 2014 convertible debentures	28,231	September 30, 2016
July 2014 convertible debentures	10,195	September 30, 2016
December 2014 convertible debentures	7,500	June 30, 2017
November 2015 convertible debentures	7,000	December 31, 2017

March 31, 2016 *In thousands of US dollars*	**At June 30, 2015**	**Initial Recognition**	**Extinguishment/ Revaluations, Net**	**Reversal of Interest (Other Income)**	**Accretion/ Interest**	**At March, 31, 2016**
January 2014 convertible debentures	25,105	-	(6,191)	(4,204)	7,707	22,417
July 2014 convertible debentures	8,933	-	(2,761)	(1,311)	2,956	7,817
December 2014 convertible debentures	5,997	-	(2,691)	(637)	1,628	4,297
November 2015 convertible debentures	-	2,477	-	-	505	2,982
	40,035	2,477	(11,643)	(6,152)	12,796	37,513
Less: current portion	34,038	-	-	-	-	30,234
Total long term debt	**5,997**	**-**	**-**	**-**	**-**	**7,279**

In addition, as at March 31, 2016, the Company had a derivative financial instrument balance of $2.5 million resulting from the conversion option feature contained in the debentures.

During the fiscal years of 2014 and 2015, the Company completed the aggregate issuance of $45,926 principal amount of convertible unsecured debentures (the "Debentures") to Sentient. The underlying details of these borrowings are disclosed in the Note 11 of the Company's audited annual financial statements for the year ended June 30, 2015.

Uses of Cash

During YTD 2016, the Company used $3.3 million in operating activities, primarily for the payment of operating expenses such as salaries, and other general, corporate and administrative expenses. In addition, during YTD 2016, the Company used net of $3.5 million in investing activities primarily on expenditures for the continuing exploration and development activities at the Yandera Project and La Cobota property totalling to $3.1 million and spent $0.4 million for additions to property, plant and equipment. The Company also generated $6.9 million in financing activities, representing the net proceeds from borrowings.

During YTD 2015, the Company used $3.6 million in operating activities and $7.8 million in net investing activities, of which $3.8 million was for exploration and development expenditures at the Yandera Project and $4.0 million for investment in term deposits. The Company also generated $14.2 million in financing activities, representing the net proceeds from borrowings.

Commitments and Contingencies

The Company has certain commitments to meet the minimum expenditure requirements on the mineral exploration assets in PNG in which it has an interest.

The Company had no contingent liabilities as at March 31, 2016.

Future minimum payments as at March 31, 2016, under agreements to which the Company is a party are as follows:

In thousands of US dollars	**Less than 1 year**	**1–5 years**	**Total**
Exploration commitments	69	103	172
Total	**69**	**103**	**172**

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at March 31, 2016.

Transactions with Related Parties

The Company's related parties as defined by International Accounting Standard 24 "Related Party Disclosures" (IAS 24), include the Company's subsidiaries, executive and non-executive directors, senior officers and key management personnel. Transactions with related parties are measured at fair value, which is the amount of consideration established and agreed upon by the related parties. All related party transactions entered into by the Company have been approved by the Board of Directors of the Company and/or shareholders of the Company as required.

Key management personnel are defined as directors and senior officers of the Company.

Transactions with related parties during YTD 2016 and YTD 2015 were as follows:

(a) Compensation of Key Management Personnel:

In thousands of US dollars	**Nine months ended March 31,**	
	2016	**2015**
Salaries, fees, wages and other benefits	922	867
Severances	-	654
Share-based compensation	36	72
Total	**958**	**1,593**

The severances in the prior year resulted from changes in executive management.

(b) Transactions with Sentient

Pursuant to a Financing Letter agreement with Sentient dated October 13, 2015 in connection with the proposed issuance of

$14.0 million principal amount of the convertible unsecured debentures, the Company completed the first tranche and issued $7.0 million of convertible unsecured Investment Debentures on November 20, 2015. Proceeds from the second tranche of $3.0 million and $4.0 million were received on April 18, 2016 and May 6, 2016, respectively. Details of this financing transaction are described under the heading *"Liquidity, Capital Resources and Going Concern - Financing Activities"* above.

During the period ended March 31, 2016, the Company also paid to Sentient $192 in fees related to legal and administrative expenses incurred on behalf of the Company during the purchase of La Cobota property. There were no fees paid to Sentient during the period of YTD 2015.

Financial Instruments

In thousands of US dollars

	Fair Value at March 31, 2016	Basis of Measurement	Associated Risks
Cash and cash equivalents	4,917	Loans and receivables	Credit and foreign exchange
Short term investments - restricted cash	67	Loans and receivables	Credit and foreign exchange
Accounts receivable and other current assets	281	Loans and receivables	Credit, foreign exchange
Trade and other payables	2,196	Amortized cost	Foreign exchange
Provisions	196	Amortized cost	Foreign exchange
Derivative financial instrument	2,523	Fair value through profit and loss	Interest, foreign exchange
Loans and borrowings	37,513	Amortized cost	Interest, foreign exchange

Loans and receivables— Cash and cash equivalents, short-term deposits, accounts receivables and other current assets, trade and other payables and provisions mature in the short term and their carrying values approximate their fair values.

Amortized cost —The debt component of the convertible debentures subsequent to its initial recognition at fair value, is measured at amortized cost as described above.

Fair value through profit or loss —The debt component of the convertible debentures is initially measured at fair value, net of direct expenses, through profit or loss, then subsequently at amortized cost. The convertible debentures contain embedded derivatives due to the conversion option feature that significantly modify the cash flows that otherwise would be required by the contract.

Embedded derivatives are segregated from the host liability debt component and accounted for separately. The conversion feature is recognized initially and subsequently at the end of each reporting period at fair value using the Black-Scholes option pricing model. Any changes in fair value of the derivatives are recognized as profit or loss in the consolidated statement of comprehensive loss. Up-front costs and fees related to the convertible debentures are netted against the loan liability balance.

The risk free interest rate used in the fair value computation is the interest rate on Canadian marketable bonds with maturity similar to the remaining life of the convertible debenture. The discount rate used is determined by adding management's estimate of the Company's risk premium to the risk free interest rate. The expected volatility estimate at date of convertible debt extinguishment and March 31, 2016 considers both, the historical price volatility of the Company and the TSX Venture Composite Index.

Application of the Black-Scholes option pricing model requires the use of assumptions. Changes in the underlying assumptions of these models could materially impact the determination of the fair value of a financial instrument.

As of March 31, 2016, the fair value of the derivative liability was $2.5 million (June 30, 2015 - $9.7 million). The movement in fair value results from fluctuations and inputs used to determine the fair value at each reporting period, the most significant of which are the Company's share price, volatility and life of the options.

Future Accounting Standards and Pronouncements

The details of future accounting standards and pronouncements are disclosed in the Company's condensed interim consolidated financial statements for the period ended March 31, 2016 and audited annual financial statements for the year ended June 30, 2015.

Risk and Uncertainties

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Era and the value of the common shares of the Company. These include risks that are widespread risks associated with any form of business and specific risks associated with Era's business and its involvement in the exploration and mining industry generally and in PNG in particular. Please see "*Papua New Guinea"* in the Company's annual information form dated December 22, 2015, (the "**AIF**"), a copy of which is available on SEDAR at www.sedar.com. While most risk factors are largely beyond the control of Era and its directors, the Company will seek to mitigate the risks where possible, for example by maintaining its key relationships with PNG's federal and regional governments and local people. However, an investment in the common shares of the Company is considered speculative due to the nature of Era's business and the present stage of its development.

The Company is subject to the following risks and uncertainties, which are discussed in detail in the AIF, available on SEDAR at www.sedar.com, and should be reviewed in conjunction with this document:

- The Company has negative operating cash flows and might not be able to continue as a going concern;
- The Company will require additional funding in the future and no assurances can be given that such funding will be available on the terms acceptable to the Company or at all;
- The Company's ability to maintain its obligations under the terms of its convertible debentures and other debt obligations;
- The speculative nature of resource exploration and development projects;
- The uncertainty of mineral resource estimates and the Company's lack of mineral reserves;
- The Company's ability to successfully establish mining operations and profitably produce copper, molybdenum and gold;
- Dependence on the Yandera Project;
- Operations of the Company are carried out in geographical areas that are subject to various other risk factors;
- The economic uncertainty of operating in a developing country such as PNG, such as the availability of local labour, local and outside contractors and equipment when required to carry out the Company's exploration and development activities;
- Other foreign operations risks; potential changes in applicable laws and government regulations and potential changes in PNG's mining or investment policies;
- The Company is not insured against all possible risks;
- Environmental risks and hazards;
- The title of the Company's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers and other defects, and the risk of obtaining a mining permit and the successful renewal of currently pending renewal applications;
- The commodity prices may affect the Company's value, changes in and volatility of commodity prices and its hedging policies;
- Increased competition in the mineral resource sector;
- The Company may have difficulty recruiting and retaining key personnel;
- Currency fluctuations risk;
- Repatriation of earnings, no assurances that PNG or any other foreign country that the Company may operate in the future will not impose restrictions on repatriation of earnings to foreign entities;
- No production revenues;
- Stock exchange prices;

- Conflicts of interest;
- Ability to exercise statutory rights and remedies under Canadian securities law;
- Enforceability of foreign judgements;
- Unforeseen litigation;
- Structural subordination of the Company's common shares;
- The Company's future sales or issuance of common shares;
- Risk of suspension of public listing due to failure to comply with local securities regulations;
- Risk of fines and penalties; and
- Risk of improper use of funds in local entity.

Share Capital Information

As at the date of this MD&A, the following number of common shares of the Company and other securities of the Company exercisable for common shares of the Company are outstanding (on a post-consolidation basis):

Securities	Common shares on exercise
Common shares	11,377,792
Stock options	113,500
Convertible debentures	130,316,459
Fully diluted share capital	**141,807,751**

Disclosure Controls and Procedures

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-looking Information

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information includes, but is not limited to, information that reflects management's expectations regarding Era's future growth, results of operations (including, without

limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

In making and providing the forward-looking information included in this MD&A, the Company has made numerous assumptions. The assumptions include, among other things, assumptions regarding: (i) the accuracy of exploration results received to date; (ii) anticipated costs and expenses; (iii) the accuracy of the Company's mineral resource estimate; (iv) the future price of copper, molybdenum and gold; and (v) that the supply and demand for copper, gold, molybdenum, and other metals develop as expected. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, among other things, the following: (i) need for additional financing to develop the Yandera Project; (ii) decreases in the price of copper and molybdenum; (iii) exploration risk; (iv) the risk that the Company will not be able to obtain or renew the requisite permits and licenses to carry out its planned exploration activities; (v) dependence on the Yandera Project; (vi) PNG State equity interest; and (vii) the ability of the Company to satisfy its debt obligations.

The Company's AIF dated September 22, 2015, contains additional information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this MD&A is qualified by this cautionary statement.

Additional Information

Additional information about the Company and its business activities is available under the Company's profile on the Canadian SEDAR website at www.sedar.com.

Qualified Person and Technical Information

The scientific and technical information contained in this MD&A was prepared by or under the supervision of and reviewed and approved by Dr. Nathan Chutas. Dr. Chutas is a Certified Professional Geologist with the American Institute of Professional Geologists in the US and he provides technical advisory consultancy services to Era. Dr. Chutas is a "**Qualified Person**" as defined by NI 43-101. Dr. Chutas verified the data underlying the information in this MD&A.

For further information relating to the Yandera Project, please see the technical report titled "Technical Report Updated Resource Estimate Yandera Copper Project Papua New Guinea" dated June19, 2015 prepared by SRK Consulting (U.S.) Inc. which is available under the Company's issuer profile on SEDAR at sedar.com.