



Management's Discussion and Analysis

For the nine-month period ended
May 31, 2014

*1801 McGill College Avenue, Suite 950, Montreal, Quebec, Canada, H3A 2N4
www.afri-can.com
TSX Venture Exchange: AFA*

AFRI-CAN MARINE MINERALS CORPORATION

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AFRI-CAN MARINE MINERALS CORPORATION

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the nine-month period ended May 31, 2014

Introduction

This Management's Discussion and Analysis of financial condition and results of operations ("MD&A") of Afri-Can Marine Minerals Corporation ("Afri-Can" or the "Corporation") should be read in conjunction with the accompanying condensed unaudited interim consolidated financial statements of Afri-Can and the notes thereto for the nine-month period ended May 31, 2014 and with the MDA, the Audited Consolidated Financial Statements of the Corporation and the notes thereto for the fiscal years ended August 31, 2013. Unless expressly stated otherwise, all references to dollar amounts are in Canadian dollars.

Afri-Can's condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") including comparative figures.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be accessed at www.sedar.com. For additional information, the Corporation's website can be found at www.afri-can.com.

Forward-Looking Statements

Certain statements contained herein are forward-looking, and are based on the opinions and estimates of management, or on opinions and estimates provided and accepted by management. These opinions and estimates include those that relate to geological and mining factors, commodity prices and marketing parameters used by management.

Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ, possibly significantly. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "intent", "may", "potential", "should" and similar expressions are forward-looking statements. Although Afri-Can believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

The Corporation expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

Highlights for the nine-month period ended May 31, 2014

Afri-Can is a Canadian corporation, actively involved in the acquisition, exploration and development of marine and terrestrial mineral properties in Namibia, mainly in the field of diamond. Afri-Can's creative and scientific approach targets large marine diamond deposits in prospective territories that offer the potential to become mining projects.

Mining leases 111, 138, 139 & 32

- In March 2013, the Corporation entered into an option agreement to acquire an 80% interest in diamond mining leases ("Mining Lease" or "ML") 111, 138, 139 and 32 off the coast of Namibia in the region of Luderitz.
- In September 2013, the Corporation released a National Instrument 43-101 report estimating the remaining diamond resources on ML 111, of which 413,000 carats are in the indicated category and 453,000 carats are an inferred resource.

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Highlights for the quarter (Cont'd)

- In December 2013, The Corporation announced a Memorandum of Understanding with International Dredging and Holding Ltd ("IMDH") whereby the partners will form a joint-venture for the development of the ML's with the focus to resume production on ML 111. IMDH is committed to invest in the preparation of the mining vessel MV Ya Toivo and the Corporation is committed in funding up to the three first month of mining operation until the projects generate cash flow from production. The partners will share equally the net profits of operation from the share of the Corporation in the ML.
- In January 2014, the Corporation completed a preliminary study of the feasibility of resuming mining during 2014 on Mining Lease ML 111;
- Due to the fact that IMDH has not delivered yet the design of the sampling program, the Corporation has not met the expenditure commitment for the first year of this option agreement therefore, the option is not valid since March 15, 2014. However, the Corporation will be able to discuss an extension of the agreement with the owner of the Mining Leases as soon as IMDH delivers on its own commitment. As the option is not considered valid since March 15, 2014, the Corporation has decided to take a depreciation of the amounts invested in the Leases.

Post-reporting data event

On July 16, 2014, the Corporation announced its intent to close a non-brokered private placement for gross proceeds of a minimum of \$175,000 and a maximum of \$350,000. The private placement will be open to all current shareholders of Afri-Can duly registered on July 15, 2014 and to accredited investors, pursuant to applicable exemptions. The minimum subscription is established at \$5,000.

Marine Exploration Projects

EPL 3403

Under an agreement (the "Thyme Share Sale Agreement") entered into in September 2010 and thereafter amended, the Corporation has been granted the option to acquire up to 100% of Thyme Investments (Pty) Ltd. ("Thyme") from IMDH and BV Investments Four Hundred and Nine (Pty) Ltd. ("BVI") in exchange for 16.25 million common shares of the Corporation. Thyme is a Namibian company that has exclusive ownership of the Exploration and Prospecting License ("EPL") 3403 covering about 800 square kilometres and situated about 120 kilometres south of Luderitz in Namibia. It has no other assets or liabilities.

The Corporation currently holds 20% of Thyme's shares. In order to earn its 20% interest, the Corporation issued on February 27, 2013, 2,437,500 of its common shares to IMDH and 812,500 of its common shares to BVI. Furthermore, as part of the agreement, Afri-Can completed a sampling program of 350 samples in May 2011 and a geophysical survey of 1,519 line kilometres in April 2012. The fair value of the 3.25 million common shares issued was recorded at an amount of \$178,750 under exploration and evaluation assets and has been determined based on the publicly quoted price on the date that the common shares were issued.

In consideration for the remaining 80% of Thyme's shares, the Corporation will complete a first resource delineation sampling program on EPL 3403 covering 300 samples and/or a maximum of 30 days sampling before December 31, 2012, or thereafter, subject to the availability of the sampling vessel and issue of 13 million common shares of the Corporation to the owners of Thyme. The Corporation completed a 2 weeks sampling program in December 2012. During this program Afri-Can successfully extracted 222 samples. Therefore, the Corporation will earn its interest with an additional 78 samples.

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Marine Exploration Projects (Cont'd)

EPL 3403 (Cont'd)

Upon completion of the transaction, IMDH shall have the right to appoint two Directors to the Board of Directors of the Corporation.

The first part of the resource delineation sampling program was completed on December 16, 2012. The program extracted 222 samples. The Corporation intends to complete the last part of the program covering a minimum of 78 samples in combination with the sampling program in planning for ML 111 and once the availability of the sampling vessel will be known. The cost of the remaining 2 week program is estimated at \$1.2 million. With the completion of this program, the Corporation will have met all the conditions of the agreement and will, therefore, proceed to acquire the remaining 80% of Thyme's shares and issue 13 million of its common shares to the owners of Thyme.

Afri-Can's technical team is well advanced with the preparation of a Prefeasibility Study and a Preliminary Economic Assessment on the mining lease ML 111 under option with Diamond Fields International Ltd. ("DFI") (see next section).. The Prefeasibility Study will serve as the mining management plan. Afri-Can is in advanced discussions with its contractor in order to charter vessels that would allow the resumption of mining in targeted areas and fill-in sampling in other targeted areas on ML 111 and EPL 3403. . The planning and schedule will be known upon signature of the vessels charter agreement.

Prior to the completion of the sampling program, Thyme has to provide the Corporation with its audited financial statements for the years 2006 to 2011 (condition met) and unaudited financial statements for the year 2012 (still pending). In the event that the statements are not to the satisfaction of the Corporation or are not provided as promised, the Corporation will hold the option either, to proceed with the acquisition of Thyme, or the Corporation will hold the option to acquire the underlying License EPL 3403 with the Namibian governmental approval.

About EPL 3403

EPL 3403 is 120 kilometres south of the town of Luderitz in Namibia. It covers about 800 km² and is adjacent to the north of the Atlantic One Mining Lease ("ML") 47 (owned by Namdeb and operated by De Beers Marine). Atlantic One is the largest marine diamond deposit in the world with a resource estimated at about 100 million carats. Atlantic One is currently producing in excess of 1,300,000 carats per year, with diamonds selling for an average price of US\$450 per carat. EPL 3403 is contiguous with ML 128(C), and is close to ML 43 and ML 44. Namdeb is currently conducting a vast exploration program in order to increase the diamond resources in ML 43 by 68 million carats. EPL 3403 also faces the raised beaches on Diamond Area Number One concession where De Beers has mined over 250 million carats since 1932. EPL 3403 is situated about 75 km north from the mouth of the Orange River, which is considered to be the primary route bringing diamonds to the sea.

Previous reconnaissance sampling programs conducted by Afri-Can, IMDH and Namdeb on EPL 3403 recovered 132 diamonds weighing 38.49 carats in the Southern region of the EPL. The four largest diamonds weighed 1.15, 1.17, 1.73 and 2.69 carats respectively. These results have enable the discovery of 3 diamond deposits.

The aim of the first sampling program conducted by Afri-Can during 25 days in March to April 2011 was to start delineating the diamond potential of the Southern portion of EPL 3403, and to prove diamond presence and find areas of diamond concentration in the Northern region.

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Marine Exploration Projects (Cont'd)

EPL 3403 (Cont'd)

On May 10th, 2011 the Corporation summarized the results of its successful sampling program completed on April 19th, 2011. The program comprised 350 sample sites producing 341 acceptable samples of 5 square metres each. The program enabled the discovery of three depositional features and one prospective depositional area. The sampling recovered 84 diamonds, mostly during the last 15 days of the sample program, of which the 4 largest diamonds weighed 1.60, 1.30, 1.15 and 1.15 carats and 15 diamonds weighed over 0.5 carats. All diamonds recovered were of the highest gem quality and 2 of the depositional areas showed an average stone size of 0.50 carat per stone, which is similar to the averages of the adjacent concessions. The successful sampling program confirmed the potential and validated the planned acquisition of EPL 3403.

Results are summarized as follows:

Southern Region:	Number of Diamonds	Aggregate Weight (carats)	Average Diamond Weight (carats)
Area 1:	19	10.67	0.56
Area 2:	18	6.68	0.37
Area 3:	45	4.37	0.10
Prospect:	2	0.90	0.45

A total of 117 diamonds have been extracted from EPL 3403: previous programs by IMDH and by De Beers Marine extracted 33 diamonds, 28 of which were from the depositional areas specified in the table above.

Total results are as follows:

Southern Region:	Number of Diamonds	Aggregate Weight (carats)	Average Diamond Weight (carats)
Area 1:	26	14.49	0.56
Area 2:	29	14.25	0.49
Area 3:	55	5.79	0.11
Prospect:	2	0.90	0.45

The diamonds have been weighed on land in the presence of an official of the Ministry of Mines and Energy of Namibia.

Afri-Can completed its geophysical survey on EPL 3403 on May 14th, 2012. The geophysical survey recovered a total of 1,519 line-kilometres of high resolution Sparker and TOPAS seismics as well as 480 line-kilometres of multibeam echosounder data. The survey covered approximately 123 square kilometres in the south end of EPL 3403, representing 15% of the concession area, which measures 800 square kilometres. Notably, 94.7 square kilometres or 77% of the 123 square kilometres show a sediment thickness over bedrock footwall of less than 10 metres, which is well within the penetration parameters of the sampling tool of the MV DP The Explorer, recently contracted for the upcoming sampling program.

The survey has mainly covered the Areas 1 and 2 depositional areas and served to prepare the sampling program to be conducted in December 2012. The survey has also enabled the delineation of a new promising target area covering 18 square kilometres.

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Marine Exploration Projects (Cont'd)

EPL 3403 (Cont'd)

The first part of the sampling program on EPL 3403 began on December 2, 2012 and was completed on December 16, 2012. The program successfully extracted 222 samples of 5 square metres each and recovered 17 diamonds weighing between 0.05 and 0.75 carats for a total weight of 4.55 carats. Notably, all the diamonds extracted were from the West Bank area (originally called Area 2).

The sampling program has greatly increased our understanding of the geology in certain regions. It also confirms the potential and validates the planned acquisition of EPL 3403, which warrants a second sampling phase and the start of planning for trial mining on certain areas.

Since the completion of the geophysical survey, the prospective areas have been divided into 12 features. The following table shows the total samples and diamond recoveries from all the programs carried out by Afri-Can, IMDH and De Beers Marine in EPL 3403 South:

No	Region	Area* (km ²)	Total Samples	Positive Samples	Total Diamonds	Total Carats
1	Ridges	17.8	86	3	4	0.59
2	South Channel	8.3	43	8	29	3.15
3	East Channel	3.8	43	10	24	2.31
4	Side Channel	3.7	50	3	4	1.70
5	East Bank	3.5	65	3	4	3.67
6	Central Channel	1.9	32	1	1	1.15
7	North Channel	3.9	14	2	2	0.50
8	West Bank	7.4	268	28	34	10.13
9	Plateau	7.8	16	2	2	0.55
10	Basin	3.3	52	3	3	1.00
11	Crater	4.5	254	20	25	13.74
12	Horseshoe	4.5	2	0	0	0
	TOTAL	70.4	925	83	132	38.49

Note: The area coverage of some regions differs from that given in the Sampling Program Report (De Decker, 2012) and there also is an additional region. This forms part of the ongoing evaluation of 3403S and further refinements are possible. It is important to note that eventual resource estimations shall be done by specific deposits and not for individual regions outlined or for the overall areas combined together.

It is important to note that at this stage, the most important factors behind the evaluation of the economic potential of EPL 3403 are the manner in which the diamonds are discovered and the stone size. Finding diamonds grouped together in a clear and defined environment indicates diamond concentration. Diamond values are not linearly linked to the size of stones: larger stones are disproportionately more valuable than smaller ones. Therefore, while the number of stones recovered during an exploration program is important, this information is less significant in evaluating the potential economics of a project than either the diamond concentration or the average diamond size.

Qualified Person

Leonard Gardner, B.Sc. (Honours, Geology), Pr.Sci. Nat., is the Qualified Person under National Instrument 43-101 who has reviewed the scientific and technical information in this section of the document.

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Marine Exploration Projects (Cont'd)

Mining Leases 111, 138, 139 & 32

On March 21, 2013, Afri-Can announced that it had entered into an option agreement that enables Afri-Can to acquire a 90% interest in diamond Mining Leases 111, 138, 139 and 32 ("Mining Lease" or "ML") off the coast of Namibia in the region of Luderitz. Mining Lease 111 hosts an historical resource of 950,000 carats of gem quality diamonds.

The option agreement was valid for 2 years and in order to complete the acquisition, Afri-Can was required to spend US\$800,000 in exploration expenditures on the MLs before the first year anniversary and an additional US\$2.5 million in exploration expenditures before the second year anniversary of the option agreement. Afri-Can entered into the option with its Namibian partner Woduna Mining Holding (PTY) Ltd ("Woduna").

Upon exercise of the option on MLs 111, 138 & 139, the interests in the MLs would be: Afri-Can 80%, DFI 10%, and Woduna 10%. Upon exercise of the option on ML 32, the interests in the ML would be Afri-Can 80%, Woduna 10%, DFI 7%, and Full Screen Investments (PTY) Ltd 3%.

On December 5, 2013, the Corporation announced it had sign a Memorandum of Understanding with IMDH for the development and mining of the Mining Leases under option with Diamond Fields International Ltd ("DFI") and of the Exclusive Prospecting License ("EPL") 3403, both situated off the coast of Namibia.

Salient features of the Memorandum of Understanding are:

- IMDH would design and operate a large sampling program of up to 800 samples mainly on ML 111 and, to a lesser extent, on EPL 3403. The sampling program would serve to establish mining blocks and grades in preparation for mining and to upgrade some of the NI 43-101 inferred resources to the indicated category, as well as further the development of EPL 3403. Afri-Can would fund the program that shall have started after confirmation by Afri-Can of the availability of the required funding. The confirmation shall have been provided to IMDH no later than 60 days after approval by Afri-Can of the program designed by IMDH and / or no later than March 1st, 2014. Budgets would be prepared by IMDH and approved by Afri-Can;
- Once IMDH provides the design of the sampling program and Afri-Can raises the funds needed to conduct the program, the remaining articles of the MOU will be in force and are as follows:
- Afri-Can and IMDH will create a joint-venture company, which will fund and operate the mining program on ML 111 and EPL 3403 if deemed economically viable. IMDH will fund the preparation of the mining vessel and Afri-Can will fund the vessel operating costs for the three first months of the mining program;

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Marine Exploration Projects (Cont'd)

Mining Leases 111, 138, 139 & 32 (Cont'd)

- Afri-Can and IMDH will share equally in the net profits from production after payment of 10% of the net profits to DFI and 10% of the net profits to Woduna Mining Holding (PTY) Ltd.;
- The use of proceed of the funding will include a payment of US\$850,000 as follows: US\$350,000 which is due from the last sampling program on EPL 3403 carried out in December 2012, US\$200,000 in order to complete the transfer of ownership of the remaining 80% of the shares of Thyme and US\$300,000 as a deposit for the funding of the sampling program;
- Upon payment of the US\$200,000 to IMDH, Afri-Can will complete the acquisition of all the shares of Thyme and in accordance with the agreement, Afri-Can will issue 9,750,000 of its common shares to IMDH and 3,250,000 of its common shares to BV Investment (PTY) Ltd. Afri-Can will then hold 100% of EPL 3403.

Afri-Can's technical consultants completed a Prefeasibility Study on ML 111, the results of which were announced at the end of January 2014. The Prefeasibility Study serves as a basis for preparation of the sampling program and the mining management plan. Afri-Can's immediate goal is to focus on ML 111's existing resources in order to resume diamond production in the shortest time frame possible.

IMDH has not yet delivered the design of the sampling program, so the Corporation has been unable to meet its expenditure commitment for the first year of this option agreement. Afri-Can expected to be able to raise the funds needed upon receipt and approval of the design of the sampling program. The option has therefore lapsed on March 15, 2014. The Corporation will be able to discuss an extension of the option agreement with the owner of the Leases once IMDH delivers the design of the sampling program agreed to with Afri-Can. As the option is not considered valid since March 15, 2014, the Corporation has decided to write off the amounts invested in the Mining Leases.

About the Mining Leases

ML 111 lies between 5 to 20 kilometres north of Luderitz. It covers 312 square kilometres and sits in water ranging from 30 to 70 metres in depth. ML 111 hosts 4 different depositional areas. The ML was originally granted for a period of 15 years and is renewable on December 4th, 2015. A resource estimate and a feasibility study were prepared by MRDI and AGRA-Simons in 2000. The historic resource, which is not National Instrument 43-101 compliant, amounted to 1.1 million carats with an average grade of 0.30 carats per square metre. The resource existed in the Marshall Fork, Staple Basin/Conical Beach and Diaz Reef areas. DFI produced intermittently between 2001 and 2007 some 158,200 carats, mainly from the Marshall Fork area, implying remaining historical resources of approximately 950,000 carats. Special stones recovered from Marshall Fork included a gem quality 17.42 carat stone, a rare 5.26 carat light blue diamond which sold for US\$10,457 per carat, and a 2.45 carat pink gem diamond which sold for US\$16,771 per carat.

On October 1st 2013, the Corporation released a National Instrument 43-101 report estimates the remaining diamond resources on DFI ML 111, of which of 413,000 carats are in the indicated category and 453,000 carats are an inferred resource. A portion of the indicated resource, some 255,000 carats grading at 0.30 carats per square metre will be the object of a trial mining program.

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Marine Exploration Projects (Cont'd)

Mining Leases 111, 138, 139 & 32 (Cont'd)

Findings from the NI 43-101 report are as follows:

- ML 111 has 3 geological features that host Indicated or Inferred Resources;
- Marshall Fork is the main deposit that has seen intermittent production between 2001 and 2007. Diaz Reef has seen some small-scale production. North Bay is composed of 3 deposits and has never been in production;
- The remaining indicated resource on the 3 areas stands at 413,000 carats at a grade of 0.17 carat per square metres and the remaining inferred resource stands at 453,000 carat at a grade of 0.15 carats per square metre;
- Part of the remaining indicated resource on Marshall Fork and Diaz Reef has mineable potential, and a preliminary feasibility study and mine management planning are currently being prepared in order to quantify the economics of the project and allow possible re-classification of some of the Indicated Resources as Probable Reserves. The indicated resource, which is the object of the study stands at 255,000 carats at a grade of 0.30 carats per square metre on an area totalling 855,000 square metres;
- Remaining inferred resources will be the object of further sampling programs in order to enhance the resources to the indicated category;
- Blocks of indicated resources are based on a sample density of 100 metres x 100 metres or closer. The majority of the areas in Marshall Fork and Diaz Reef had a sample density (usually sampling on a 50m x 50m grid or closer) that supports the indicated resource estimates to a high level of confidence;
- Blocks of inferred resources are based on sampling that has a spacing wider than 100 metres x 100 metres;
- Diamond resources are based on a review of all previous records and, in compliance with NI 43-101, a re-estimation based upon historical exploration work that includes over 7,500 line-kilometres of geophysical survey data, over 3,000 samples with footprints ranging from 2.1 to 10 square metres, and 7 years of intermittent production history.

On January 24th 2014, the Corporation released a Pre-Feasibility Study ("PFS") that estimates a Probable Diamond Reserve of 319,000 carats.

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Marine Exploration Projects (Cont'd)

Mining Leases 111, 138, 139 & 32 (Cont'd)

Pre-Feasibility Study Highlights:

Afri-Can's share of Net Present Value (NPV) (after tax)	US \$20.2 million
Afri-Can's share of Internal Rate of Return (IRR) (after tax)	31%
Probable Diamond Reserves	319,000 carats
Average annual production	159,500 carats
Diamond price (projected average)	US \$484 per carat
Initial Mine Life	2 years

Salient features of the Pre-Feasibility Study are as follows:

- Estimated Probable Diamond Reserves of 319,000 carats at an average grade of 0.24 carats per square metre are based upon the economically extractable portions of the Indicated Mineral Resources only - and none of the Inferred Resources - that were press released on October 1st, 2013. The economic cut-off grade for the project will be 0.126 carats per square metre.
- Diamond prices are estimated based upon the last sales from ML 111 in 2008, escalated by the amount which Namibian diamonds have subsequently risen, adjusted to take into account the different average diamond sizes in each area of ML 111, which gives a weighted average value of \$484 per carat.
- The most efficient mining method for ML 111 is the seabed crawler system. The joint venture with International Mining and Dredging Holding Ltd (IMDH) announced on December 5th, 2013, will facilitate the charter of the mining vessel *m.v. "Ya Toivo"*, which has an efficient seabed crawler system;
- Vessel operating costs for the first three months are to be funded by Afri-Can and are estimated from reported 2002 operating costs for the same vessel, escalated by the South African inflation rate to 2014. The estimated operating costs of the vessel and equipment are \$122,000 per day, which after the first three months of operations, are expected to be financed from diamond sales revenue. The Memorandum of Understanding between Afri-Can and IMDH announced on December 5th, 2013, provides for the costs of preparing the vessel for the work to be covered by IMDH. Afri-Can has no requirement for capital expenditure to acquire equipment. Afri-Can is committed to fund the vessel's operating costs of \$3.7 million per month for a maximum of three months, by which time the operations are expected to be cash flow positive.
- Afri-Can's share of the total net earnings before interest and taxes for the two years of initial mine life will amount to an estimated \$20.4 million (due to corporate losses carry forward, taxes for the first 2 years will be zero);
- It is anticipated, but not guaranteed, that additions will be made to the Probable Reserves by sampling in areas of Inferred Resources, by re-classification of the Reserves because of favourable working attributes or by exploration of areas which potentially contain undiscovered deposits.

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Marine Exploration Projects (Cont'd)

Mining Leases 111, 138, 139 & 32 (Cont'd)

Recommendations of the Pre-Feasibility Study

- Probable Reserves can be economically mined, and it is recommended that mining operations should commence as soon as practicable;
- Sampling should be undertaken in the areas of Inferred Resources to generate more Indicated Resources and thus additional Probable Reserves;
- An exploration program should be drawn up with the objective of generating new resources.

ML 32 extends 65 kilometres north of Luderitz, covers 176 square kilometres and extends from the high-water mark to 30 metres of water depth. Between 1987 and 1997, a total of 37,335 carats were found by various contract divers working from the shore with small vessels. No significant production has been undertaken in this property since that time. The ML is renewable on February 18th, 2019.

ML 138 and ML 139 (originally EPL 1607 A & B) are adjacent to the west of ML 32 and ML 111 and cover 92 and 130 square kilometres respectively in water ranging from 30 to 120 metres in depth. Previous sampling data from ML 138 and ML 139 will be reviewed in order to plan further work and potential resource estimation. ML 138 is renewable on November 4th 2019. ML 139 is renewable on November 4th, 2029.

Qualified Person

Richard W. Foster (BSc (Hons), ARCS, Pr.Sci.Nat) is the Qualified Person under National Instrument 43-101 who has reviewed the scientific and technical information in this section of the document.

EPL 2499 - Block J

Exclusive Prospecting Licence (EPL) 2499, called "Block J", is located approximately 25 kilometres off the coast of the Republic of Namibia, in the south west region of Africa. The area covers about 1,000 km² and the Namibian company Woduna Mining Holdings (Pty) Ltd ("Woduna") has been granted the Exclusive Prospecting License over the concession area.

The Corporation's 70% interest in Block J is held through a joint venture between the Corporation and Woduna. Afri-Can is the operator and manager of the exploration and development programs. Furthermore, in the event that Block J becomes a commercial mining lease, the Corporation will be reimbursed its full investment (exploration, development and acquisition costs) with interest before Woduna is paid its 30% share of the net profit of the project.

Between years 2000 and 2003, Afri-Can conducted 2 geophysical surveys and 2 sampling programs that resulted in the discovery and delineation of many prospective geological Features, of which 4 Features are considered prospective marine diamond deposits. The 2 sampling programs enabled the recovery of 107 diamonds weighing a total of 15.69 carats, with the largest stone weighing 0.64 carats.

The exploration results were re-assessed and compiled into a National Instrument 43-101 compliant report dated 1st May 2006.

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Marine Exploration Projects (Cont'd)

EPL 2499 - Block J (Cont'd)

The first part of the program was carried out in October and November 2006 and entailed a geophysical survey of 854 line/kilometres and the extraction of 38 vibracore samples at a cost of \$1,017,659 (US\$963,343). The results were published in a series of reports and culminated in a National Instrument 43-101 report dated March 30, 2008, which included a revision of the geological models and selection of targets for quantitative sampling.

The second part of the program was carried out in May 2010 with the extraction of 314 samples of 5 square meters each. The program enabled the recovery of 398 diamonds weighing 48.27 carats. All the diamonds were individually weighed on land and in the presence of an official of the Ministry of Mines and Energy of Namibia in June 2010. The diamonds ranged in weight from 0.01 carats to 0.64 carats.

On October 25, 2010 The Corporation announced that it had completed a report compliant with the National Instrument 43-101 covering the 2010 sampling program. The report includes a resources estimation completed by the independent consultants Z Star Mineral Resource Consultants (Pty) Ltd. ("Z*").

The current estimated Inferred Diamond Resource in Feature 8 is 154,000 carats in 1,720,000 m² at an average grade of 0.09 carats/m². Within the blocked-out area, there is a 78,000 carats higher grade zone, measuring about 400,000 m² with an average block grade of 0.20 carats/m². The sampling results and the revised geological models outside the area of Inferred Resource enabled the estimation for a potential for further mineralization ranging between 1.2 million carats at an average grade of 0.03 carats/ m² and 1.5 million carats at an average grade of 0.04 carats/ m² in Block J. The report is available at www.afri-can.com and on SEDAR.

Results of the 2010 sampling program justify a stage 4 sampling and trial mining program on Block J in order to define which areas hold larger diamonds and in which areas the grades would be economically viable.

In February 2013, the Corporation recorded impairment charges of \$9,688,752 for the Block J Woduna concession. The impairment was driven by the announcement of a new option agreement to acquire an interest in Mining Leases 111, 138, 139 and 32 and the Corporation's decision to finalize the acquisition of EPL 3403 in Fiscal 2014. Accordingly, no further exploration or evaluation is budgeted on the Block J concession in the near future.

Qualified Person

Richard W. Foster (BSc (Hons), ARCS, Pr.Sci.Nat) is the Qualified Person under National Instrument 43-101 who has reviewed the scientific and technical information in this section of the document.

Copper Exploration Project

EPL 3140 - Haib Copper Project

The Haib Copper project is an Exploration and Prospecting License (EPL) covering 37,000 hectares, located in the Karas region, 8 km from the Orange River in the south of Namibia. The EPL hosts a large, low grade copper porphyry deposit. Past exploration work carried out mainly by Rio Tinto has enabled the delineation of an historical estimate of about 4 billion pounds of copper. The deposit is a classic porphyry copper-molybdenum dating from the Archean age. The principal mineralised hosts at Haib are quartz feldspar porphyry ("QFP") and a feldspar porphyry ("FP") rock.

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Copper Exploration Project (Cont'd)

EPL 3140 - Haib Copper Project (Cont'd)

Previous work on the concession was carried out by several companies including Rio Tinto and Falconbridge. In 1996, Behre Dolbear calculated an historical estimate, using the Nearest Neighbour method, of 630 million tonnes of 0.34% Cu at a cut off grade of 0.2% Cu, equivalent to 4.7 billion lbs of Cu in situ. With a cut off grade 0.3% Cu, the Haib historical estimate is 292 million tonnes of 0.46% Cu, equivalent to 2.9 billion lbs of Cu in situ.

On July 2, 2008, Afri-Can announced that Afri-Can and Deep South signed an option and joint venture agreement ("Agreement") with Teck Cominco Namibia Ltd., a wholly owned subsidiary of Teck Resources Limited. The agreement was approved by the Ministry of Mines and Energy of Namibia and became effective on July 28, 2008.

In September, 2011, Deep-South confirmed that Teck had exercised its option to earn a 70% undivided interest in the Haib copper project. Teck has completed US\$2 million exploration expenditures on Haib and has paid US\$700,000 to Deep South as per the agreement. Teck has completed 7,120 metres of drilling on Haib and is currently planning further work programs.

The agreement with Teck stipulates that upon Teck earning its 70% interest, Deep-South shall fund its 30% share of costs of the development of the project. In the event that Deep South does not fund its share of an approved program, its interest in the joint-venture shall be diluted and, should it be diluted to under 20%, the remaining Deep-South interest will be converted into a 12% Net Profit Interest (NPI). In the event that Teck should decide to bring the Property into commercial production, Teck will pay a production bonus to Deep South totalling US\$1 million within 60 days of the completion date of the mine. The agreement also states that the NPI and any production bonus will be divided equally between Deep South and Afri-Can.

Under an agreement (the "Share option agreement") entered into on December 1, 2012, Deep-South granted an irrevocable option to the Corporation whereby the Corporation holds the right to acquire 50% of Deep-South's share capital. The option may be exercised by the Corporation at any time or at the latest the day before any dilution of Deep-South's share capital or the day before Deep-South's shares are listed on the TSX Venture Exchange or any other suitable exchange.

The Corporation shall transfer its holding in the NPI and production bonus in the Property to Deep-South upon the exercise of its option to acquire 50% of Deep-South's share capital.

Upon listing of Deep South's share capital on an exchange, the Corporation intends to transfer its shares of Deep South to Afri-Can's common shareholders. Deep South's listing and financing are subject, among other things to market conditions and to the Corporation's shareholders and regulatory approval. Under the current financial markets conditions, the Corporation and Deep-South are not in a position to estimate a time schedule for the listing of Deep-South shares.

Teck Exploration Model:

Teck operates a number of large tonnage copper mines, and some of them are porphyry copper deposits similar to the Haib Copper deposit, such as; Highland Valley Copper in Canada, and Quebrada Blanca and Andacollo in Chile. According to Teck, *"... due too several factors, including its remote location and general low grade, the Richtersveld Subprovince is relatively underexplored and has the potential to host a major ore deposit. The objective of Teck Haib Project exploration program is the discovery of a large tonnage, open-pit table, Cordilleran-style, porphyry-hosted copper +/- molybdenum, gold and silver deposit."*

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Copper Exploration Project (Cont'd)

EPL 3140 - Haib Copper Project (Cont'd)

Teck is confident that the deposit has the potential for large-scale mining, particularly if the tonnage or grade, or both, could be improved. Teck decided to investigate the open ended parts of the deposit (deep drilling and extension drilling) and to explore for new undiscovered outlying ore bodies. This had not been previously attempted. Teck suspects that it was unlikely that the Haib body was isolated, rather that it would be one of several similar bodies.

Teck's geologists developed a model that suggested that the folding and faulting only re-distributed the mineralization and that the mineralization was essentially syngenetic and coeval with the mineralizing vulcanism. This would be similar to modern porphyry systems. Furthermore they believed from detailed mapping of the alteration zones that the deposit was not only dipping but overturned. This model had enormous advantages as it suggested that the higher grade upper porphyry zones could still be preserved at depth. What was being seen at surface was the poorer mineralization associated with the root zones of a porphyry system. If this was the case then deep drilling should indicate higher grade zones.

Following this model Teck, from 2008 to date, completed the following work and invested more than US \$2 million:

- ❑ A total of 13 diamond drillholes (totalling 7,126 metres). These were drilled within the historically defined deposit and on the north-eastern IP defined anomaly;
- ❑ Using the Anaconda mapping method Teck has mapped about 75% of the area around the main deposit (at a scale of 1:10,000) and about 1/3 of the main deposit at 1:2,000;
- ❑ Teck re-logged some 70 of the old RTZ boreholes in detail. These were mostly on the eastern side of the main deposit around some of the projected deep drill holes;
- ❑ Teck re-sampled 14 of the old drillholes for their molybdenum content;
- ❑ Teck re-assayed 29 of the old RTZ drill hole cores and concluded that the results correlated well with the original RTZ assays, and
- ❑ Teck completed some 37 kms of pole dipole Reconnaissance Induced Polarization (RIP); and another 6 km of Audio Magnetotellurics (AMT).

The Teck drilling program comprised 13 diamond drillholes. These drillholes were in two groups. The first group of 9 drill holes was drilled within the existing ore body. These holes were drilled to test existing assay values; to test the higher grade portion of the body; and to investigate deeper portions of the known deposit. The second group of four drillholes was drilled to the east of the main Haib deposit to start testing the Haib east geophysical anomaly. Table1 below gives the basic data for these 13 drillholes.

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Copper Exploration Project (Cont'd)

EPL 3140 - Haib Copper Project (Cont'd)

Drilling summary results

Hole #	From (m)	To (m)	Width (m)	Copper (%)	Molybdenum (%)	Hole Angle (°)
TCDH-01	0	434.17	434.17	0.010	0.0002	-90
TCDH-02	0	350.04	350.04	0.047	0.001	-90
TCDH-03	0	383.23	383.23	0.005	0.0001	-90
TCDH-04	0	357.91	357.91	0.009	0.0005	-90
TCDH-05	0	806.52	806.52	0.167	0.005	-80
TCDH-06	0	842.78	842.78	0.285	0.012	-50
Including	534.00	598.00	64.00	0.543	0.031	
Including	598.00	832.00	234.00	0.370	0.022	
TCDH-07	0	822.86	822.86	0.250	0.007	-65
Including	321.00	405.00	84.00	0.364	0.007	
Including	704.00	764.90	60.90	0.370	0.011	
TCDH-08	0	370.00	370.00	0.047	0.0006	-60
TCDH-09	0	602.10	602.10	0.158	0.0055	-55

The above table shows that several drillholes were drilled deeper than the original average grid depth (about 400 metres). The deepest of these was drillhole TCDH-06 that was drilled to 842.78 metres. The hole was drilled at an azimuth of 194 (just west of south) at 50 degrees inclination. This hole was very interesting as the average grade throughout the drillhole was significantly higher than found on previous drilling.

The program confirmed Teck's hypothesis that the tonnage and/or grades could be increased. In May 2012 Teck started a 2 year follow-up drilling and RIP program. The goal will be to define the extensions of the main ore body and investigate the newly discovered outcropping areas where RIP has shown high chargeability.

Between May and September 2012, Teck conducted a 6,500 metres drilling program with the aim of testing the grades of some of the newly discovered outcropping areas and re-assessing some historical results from the main ore body. Further to this program, Teck recommends the following work program for the period from June 2013 to June 2014:

Complete the mapping of the deposit at 1:2,000 scale using the Anaconda method, paying particular attention to breccia zones and QBP dykes; complete the mapping of Haib East at 1:10,000 scale before evaluating it for further work; complete the re-logging of historic core to complete the deposit model (~2,000m remaining); generate an updated 3D geological model based on mapping and re-logging data and re-assay more historic core to get an accurate Molybdenum credit.

Qualified Person

Mr. Vivian Stuart-Williams ("SACNASP") is the Qualified Person under National Instrument 43-101 who has reviewed the scientific and technical information in this section of the document.

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General Discussion on Afri-Can's Business Model

The Corporation's decision to invest in Namibian exploration projects is based on management confidence that the properties chosen can generate significant added value to Afri-Can shareholders.

Geologists estimate that the total Southern African west coast potential is in excess of 2 billion carats and less than 400 million carats have been delineated to date. Namibian marine diamond deposits host the highest gem quality content in the world at 95% and Namibia has the highest average selling price in the world at US\$440 per carat (source: Kimberley Process). More than 50% of the Namibian diamond production is derived from the sea and, according to De Beers information, its marine production unit is its second most profitable diamond project.

Decisions concerning future investments in a project are always based on pro-forma economic valuation models of the project, which can be derived from the geological information available to date.

For the Corporation's marine projects, the two most important factors behind the evaluation of the economic potential of an exploration project are the fashion in which the diamonds are discovered and the stone size. Finding diamonds grouped together in a clear and defined environment indicates diamond concentration. Diamond values are not linearly linked to the size of stones: larger stones are disproportionately more valuable than smaller ones. Therefore, while the number of stones, which are recovered during an exploration program, is important, the information is less significant in evaluating the potential economics of a project than either the diamond concentration or the average diamond size.

Selected Quarterly Financial Information

The following table sets forth selected financial information covering the eight most recently completed quarters:

	FISCAL 2014			FISCAL 2013				FISCAL 2012
For the quarter ended:	May 31, 2014	February 28, 2014	November 30, 2013	August 31, 2013	May 31, 2013	February 29, 2013	November 30, 2012	August 31, 2012
Expenses	\$ 89,616	\$ 324,928	\$ 167,121	\$ 222,847	\$ 171,970	\$ 9,935,811	\$ 397,440	\$ 355,803
Less: Impairment/depreciation of exploration & evaluation ("E&E") assets	8,247	151,962	-	-	-	9,688,752	-	-
Less: Share-based compensation cost	-	-	-	-	-	-	56,000	1,667
Expenses less impairment of E&E assets and share-based compensation cost	81,369	172,966	167,121	222,847	171,970	247,059	341,440	354,136
Net loss	89,616	324,926	167,104	222,809	171,820	9,934,856	395,643	358,278
Loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00
As at	May 31, 2014	February 28, 2014	November 30, 2013	August 31, 2013	May 31, 2013	February 29, 2013	November 30, 2012	August 31, 2012
Current assets	23,291	33,202	33,371	59,695	69,927	190,544	1,306,549	1,792,598
Total assets	4,655,105	4,665,016	4,776,181	4,755,566	4,713,838	4,788,275	14,184,794	14,617,161
Current liabilities	1,103,820	1,037,821	842,230	642,408	576,691	508,308	167,471	268,333
Non-current liabilities	516,889	503,183	485,013	497,116	492,116	463,116	444,366	431,866
Total liabilities	1,620,709	1,541,004	1,327,243	1,139,524	1,068,807	971,424	611,837	700,199
Equity	3,034,396	3,124,012	3,448,938	3,616,042	3,645,031	3,816,851	13,572,957	13,916,962

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Discussion on the Selected Quarterly Financial Information

Average quarterly expenses excluding non-cash items (impairment of exploration and evaluation assets share-based compensation cost) for Q3-2014 stood at \$81,369 versus the average of the last seven quarters of \$239,648.

Based on cost cutting measures implemented in March 2013, to reduce operating cost, management estimated that on average, a range between \$150,000 and \$200,000 represented a level that was indicative of the quarterly cost of operating the Corporation. Of this amount, \$37,500 represented the President's salary and approximately \$23,000 represented remuneration payable to the Chief Financial Officer ("CFO") and to the Chairman of the Corporation. (Please refer to the section entitled Transactions with Related Parties for more details). Since March 1, 2014, the Corporation implemented additional reduction in operating cost until a financing is secured (see post-reporting data event section for further details on the proposed financing).

Operating Activities

For the nine-month period ended May 31, 2014, the Corporation's net loss decreased by \$9,920,673 versus the same period last year, (\$581,646 versus \$10,502,319). This variance is analyzed as follows:

- a) a decrease of \$45,132 in professional and consulting fees is described below;
- b) a decrease of \$111,085 in salaries and management fees; following cost cutting measures adopted in March 2013. The Chairman's remuneration was reduced to \$20,000 per year (\$75,000 prior to March 1, 2013) and the CFO's remuneration was reduced to \$72,000 per year (\$130,000 prior to April 1, 2013);
- c) an decrease of \$135,265 in investor relations and promotion expenses due to the lower level of financing activities during the period;
- d) a decrease of \$56,000 in stock-based compensation expenses; fair value of \$56,000 of options vested last period compared to Nil this period. No options were granted this period;
- e) \$9,688,752 in impairment charge for the Block J concession during Q3-2013 as compared to a depreciation of \$160,209 during Q3-2014 on the Mining Leases. No further exploration or evaluation expenditures are planned or budgeted for on the Block J concession for the near future.

Professional and consulting fees consist of:

	Q3-2014	Q3-2013
	\$	\$
Accounting and audit fees	121,696	137,870
Legal fees	7,168	21,776
Consulting fees: Others	-	14,350
Total professional and consulting fees	128,864	173,996

The decrease in accounting and audit fees, and in legal fees in Q3-2014 as compared to Q3-2103 is due to the decrease in the level of activities.

Other consulting fees in Q3-2013 relates mainly to mapping, geological and compilation work on a zinc-lead-copper project (Zebrafontein project) that the Corporation intends to acquire in order to list Deep-South on a Canadian Exchange.

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Investing Activities

During the nine-month period ended May 31, 2014, the Corporation incurred \$96,152 in exploration and evaluation expenses on its marine diamond concessions and nil in base metal exploration and evaluation expenses related to the Haib project versus \$1,329,350 on its marine diamond concessions and nil on the Haib project during the same period last year.

Details of exploration and evaluation expenses are as follows:

	Nine-month period ended May 31, 2014	Nine-month period ended May 31, 2013
	\$	\$
Marine projects:		
EPL 3403		
Sampling program	-	1,201,394
Geology	13,037	88,986
Geophysics	-	18,243
Travel and other	-	630
	13,037	1,309,253
ML 111,138, 139 & 32		
Geology	83,115	20,097
Block J	-	-
Haib Copper project	-	-
Increase during the period	96,152	1,329,350
Depreciation – ML 111, 138, 139 & 32	(160,209)	-
Impairment – Block J concession	-	(8,792,547)
Balance, beginning of period	4,434,706	11,845,943
Balance, end of period	4,370,649	4,382,746

During the nine-month period ended May 31, 2014, the Corporation released a National Instrument 43-101 report estimating the resources on ML 111 to 413,000 carats in the indicated category and 453,000 carats in the inferred resource and completed a preliminary study of the feasibility of resuming mining during 2014 on Mining Lease ML 111.

During the same period the prior year, the Corporation advanced planning work related to the sampling program on EPL 3403. This work was initiated and completed in December 2012.

Financing Activities

Private placement

The Corporation did not complete a financing during the first nine-month period of fiscal 2014 and 2013.

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Liquidity

During the nine-month period ended May 31, 2014, the Corporation's exploration related capital expenditure was \$96,152. The Corporation anticipates that the exploration related capital amounts required for Fiscal 2014 to maintain its ongoing marine exploration activities should approximate on average \$40,000 to \$60,000 per quarter excluding sampling and geophysics.

Management estimates that excluding exploration related expenditures, on average, a range between \$90,000 and \$140,000 represents an indicative level of the quarterly cost of operating the Corporation. Note that these amounts do not include \$60,500 per quarter of management's salaries and fees, or professional fees owed to other insiders of the Corporation, which, from time to time, are accrued and paid later or reduced if the financial position of the Corporation necessitates it.

Based on the above, the Corporation's minimum capital requirements to maintain our operations for Fiscal 2014 are between \$130,000 and 200,000 per quarter.

Currently at a development stage, the Corporation does not generate any cash through its operations. The ability of the Corporation to meet its current obligations and future development plans is fully dependent on management's ability to secure sufficient injection of funds from private placements and other equity or quasi-equity-related fund raising programs.

The Corporation's present cash position is not sufficient to meet the Corporation's minimum capital requirements for the coming four quarters. Since the execution of the original agreement with IMDH in 2006, the Corporation has been able to raise the funds required to advance the project, and pay ongoing working and exploration expenses. While the Corporation has been successful in the past, there can be no assurance it will be successful in the future.

Therefore, the consolidated financial statements do not give effect to adjustments that would be necessary should the Corporation be unable to secure sufficient funds to continue as a going concern. Investors are advised that if such adjustments were required, these adjustments could be material.

Outstanding Share, Warrant and Option Data

	Number post- consolidation
as of July 25, 2014	
Common shares	91,527,864
Warrants	26,455,940
Options	750,000
Fully-diluted	118,733,804

Capital Resources

As at May 31, 2014, the Corporation's working capital, consisting of current assets less current liabilities, stood at negative \$1,080,529 (versus \$582,713 as at August 31, 2013). In addition to cost cutting measures adopted in March 2013 and 2014 to reduce its operating cost, the Corporation announced its intent to close a non-brokered private placement for gross proceeds of up to \$350,000 to maintain the Corporation's existing operations and activities and for working capital purposes.

Off-Balance Sheet Arrangements

The Corporation does not have any off-balance sheet arrangements.

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Transactions with Related Parties

The Corporation carried out the following transactions with directors or with corporations whose directors, officers and shareholders are also directors and officers of the Corporation:

	Q3-2014	Q3-2013
	\$	\$
Remuneration of the CFO	54,000	87,833
Remuneration of the Chairman	15,000	42,500

For the nine-month period ended May 31, 2014, consulting fees for an amount of \$54,000 (\$87,833 for the same period in Fiscal 2013) were accounted for to a Corporation owned by the CFO and director of the Corporation.

For the nine-month period ended May 31, 2014, consulting fees for an amount of \$15,000 (\$42,500 for the same period in Fiscal 2013) were accounted for by a company managed by the Chairman of the Corporation.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Short-term employee benefits payable and non-current employee benefits payable presented in the consolidated statement of financial position are due to President and CEO, CFO and the Chairman of the Corporation.

Post-Reporting Data Event

On July 16, 2014, the Corporation announced its intent to close a non-brokered private placement for gross proceeds of a minimum of \$175,000 and a maximum of \$350,000 (the "Offering"). The private placement will be open to all current shareholders of Afri-Can duly registered on July 15, 2014 and to accredited investors, pursuant to applicable exemptions. The minimum subscription is established at \$5,000.

The non-brokered private placement will comprise a minimum of 8,750,000 and a maximum of 17,500,000 units (the "Units") of the Corporation, at a subscription price of \$0.02 per Unit. Each Unit will consist of one (1) common share and one half (1/2) common share purchase warrant ("Warrant") of the Corporation. The Warrants will expire in two years from the date of closing of the private placement. Each full Warrant will entitle the holder thereof to purchase one (1) Afri-Can common share at an exercise price of \$0.05.

The Corporation will use the net proceeds of the Offering to maintain the Corporation's existing operations and activities and for working capital purposes. Completion of the Offering is subject to the receipt of all necessary approvals including the approval of the Exchange.

No payments will be issued to related parties apart from \$ 12,712 that will be paid to Management for repayment of fees paid on behalf of the Corporation. This amount will be paid only if the financing is fully subscribed. If subscriptions are received for more than 17,500,000 Units, the subscriptions will be reduced pro rata to 17,500,000 Units.

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Management's Responsibility for Financial Information and Accounting Estimates

Afri-Can's condensed interim consolidated financial statements are the responsibility of the Corporation's management. These consolidated financial statements were prepared by the Corporation's management in accordance with IFRS.

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 4 to the Consolidated Financial Statements for the nine-month period ended May 31, 2014.

A detailed summary of the entire Corporation's significant accounting policies derived there from is included in Notes 2 to the Consolidated Financial Statements for the fiscal year ended August 31, 2013.

Financial Instruments Risks

Afri-Can is exposed to various financial risks resulting from both its activities. Afri-Can does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. Afri-Can's main financial risk exposure and its financial risk management policies are disclosed in Note 10 to the Consolidated Financial Statements for the year ended August 31, 2013.

Stock Option Plan

The purpose of the Stock Option Plan (the "Plan") is to serve as an incentive for the directors, officers, employees and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no objective attached to the Plan and no relationship to manage the Corporation's risks.

Management's Report on Internal Control over Financial Reporting

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and CFO of the Corporation will file a Venture Issuer Basic Certificate with respect to the financial information contained in the annual and interim consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate required for non-venture issuers under Regulation 52-109 respecting Certification of Disclosure in Issuer's Annual and Interim Filings, the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in Regulation 52-109.

Accounting Standard Issued but not Yet Adopted

Information on accounting standard effective in future periods and not yet adopted remains unchanged from that disclosed in the consolidated financial statements as at and for the year ended August 31, 2013 and can be found in Note 2 of Afri-Can's annual consolidated financial statements.

AFRI-CAN MARINE MINERALS CORPORATION

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Risks

The Corporation strongly depends on the business and technical expertise of its management and technical team and there is little possibility that this dependence will decrease in the near term.

All of the resource properties in which the Corporation has joint-venture agreements are at the exploration stage only and are without a known body of commercial ore or minerals. Substantial expenditures are required for our marine exploration programs and the development of reserves. In the absence of cash flow from operations, the Corporation relies on capital markets to fund its exploration and evaluation activities. Capital market conditions and other unforeseeable events may impact the Corporation's ability to finance and develop its projects.

While discovery of diamonds may result in substantial rewards, few exploration properties ultimately evolve into producing mines. Major expenditures are required to identify, confirm reserves and to construct mining and processing facilities. It is impossible to know whether the Corporation's current exploration programs will ultimately result in a profitable commercial mining operation.

A number of factors determine the economic viability of a diamond deposit. They include the size of the deposit; the quantity, quality and average unit carat size of the diamonds; the proximity of the deposit to existing infrastructure; the estimated development and operating costs; the financing costs and the projected cash flows; the prevailing prices and markets for diamonds; and the competitive nature of the industry. Also of key importance are governmental regulations, including those relating to taxes, royalties, land use, the environment, and interests and socio-economic impacts on affected communities.

In addition, although the Corporation has taken steps to verify that it holds good title to its mineral properties, there can be no guarantee that the Corporation's title may not be subject to unregistered prior agreements, encumbrances or adverse regulatory requirements. The consequences of these risks cannot be accurately predicted, but any combination of them may impair the development of a deposit or render it uneconomic.

The Corporation intends to continue the evaluation and exploration of its properties subject to the availability of financing on acceptable terms. The Corporation intends to finance these activities either through existing financial resources or through additional equity or quasi-equity financing. However, there can be no assurance that the Corporation will be able to raise such additional equity.

(S) Bernard J. Tourillon
Bernard J. Tourillon, MBA
Executive Vice-President and CFO

Montreal, July 25, 2014