



BANRO CORPORATION

ANNUAL INFORMATION FORM

For the financial year ended December 31, 2006

Dated March 30, 2007

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SCHEDULE "A" - AUDIT COMMITTEE TERMS OF REFERENCE

PRELIMINARY INFORMATION

Date of Information

All information in this annual information form ("**AIF**") is as at December 31, 2006, unless otherwise indicated.

Incorporation by Reference of Technical Reports

The following technical reports, or excerpts from technical reports (as applicable), are incorporated by reference into, and form part of, this AIF. These reports have been filed on, and may be accessed using, the System for Electronic Document Analysis and Retrieval ("**SEDAR**") on the internet at www.sedar.com.

1. The technical report dated March 6, 2007 and entitled "Fourth NI 43-101 Technical Report, Twangiza Project, South Kivu Province, Democratic Republic of the Congo" (the "**2007 Twangiza Technical Report**"). Michael B. Skead ("**Skead**"), who is Vice President, Exploration of Banro Corporation ("**Banro**" or the "**Company**") and a "qualified person" as such term is defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") of the Canadian Securities Administrators, was responsible for supervising the preparation of the 2007 Twangiza Technical Report.
2. The technical report dated March 30, 2007 and entitled "Third NI 43-101 Technical Report, Lugushwa Project, South Kivu Province, Democratic Republic of the Congo" (the "**2007 Lugushwa Technical Report**"). Skead was responsible for supervising the preparation of the 2007 Lugushwa Technical Report.
3. The technical report dated March 30, 2007 and entitled "Third NI 43-101 Technical Report, Namoya Project, Maniema Province, Democratic Republic of the Congo" (the "**2007 Namoya Technical Report**"). Skead was responsible for supervising the preparation of the 2007 Namoya Technical Report.
4. Section 2 (entitled "Regional Geology") and section 3 (entitled "Kamituga") of the technical report of Steffen, Robertson and Kirsten (UK) Ltd. ("**SRK**") dated February 2005 and entitled "NI 43-101 Technical Report Resource Estimation and Exploration Potential at the Kamituga, Lugushwa and Namoya Concessions, Democratic Republic of Congo" (the "**SRK Technical Report**"). The "qualified persons" (as such term is defined in NI 43-101) for the purposes of the SRK Technical Report were Martin F. Pittuck and A. Gareth O'Donovan.

Forward-Looking Statements

Certain statements contained in this AIF and the documents incorporated by reference herein that are not historical facts constitute "forward-looking statements", including but not limited to those statements with respect to the estimation of mineral resources and the Company's plans and objectives. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known or unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those projected by such forward-looking statements. Such factors include, among others, the actual results of current

exploration activities, access to capital and future prices of gold and those factors discussed in item 3.2 ("Risk Factors") of this AIF.

Although Banro has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this AIF based on the opinions and estimates of management, and, except as may be required by applicable securities laws, Banro disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that the forward-looking statements contained in this AIF and the documents incorporated by reference herein will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Cautionary Note to U.S. Investors

The United States Securities and Exchange Commission (the "**SEC**") permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Certain terms are used in this AIF, such as "measured", "indicated", and "inferred" "resources", that the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. U.S. Investors are urged to consider closely the disclosure in the Company's Form 40-F Registration Statement, File No. 001-32399, which may be secured from the Company, or from the SEC's website at <http://www.sec.gov/edgar.shtml>.

Currency

All dollar amounts in this AIF are expressed in United States dollars, except as otherwise indicated. References to "\$" or "US\$" are to United States dollars and references to "Cdn\$" are to Canadian dollars. For United States dollars to Canadian dollars, based on the Bank of Canada noon rate, the average exchange rate for 2006 and the exchange rate at December 29, 2006 (December 31, 2006 was a Sunday) were one United States dollar per \$1.1341 and \$1.1653 Canadian dollars, respectively. For reporting purposes, the Company prepares its financial statements in United States dollars and in conformity with accounting principles generally accepted in Canada.

ITEM 1: CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

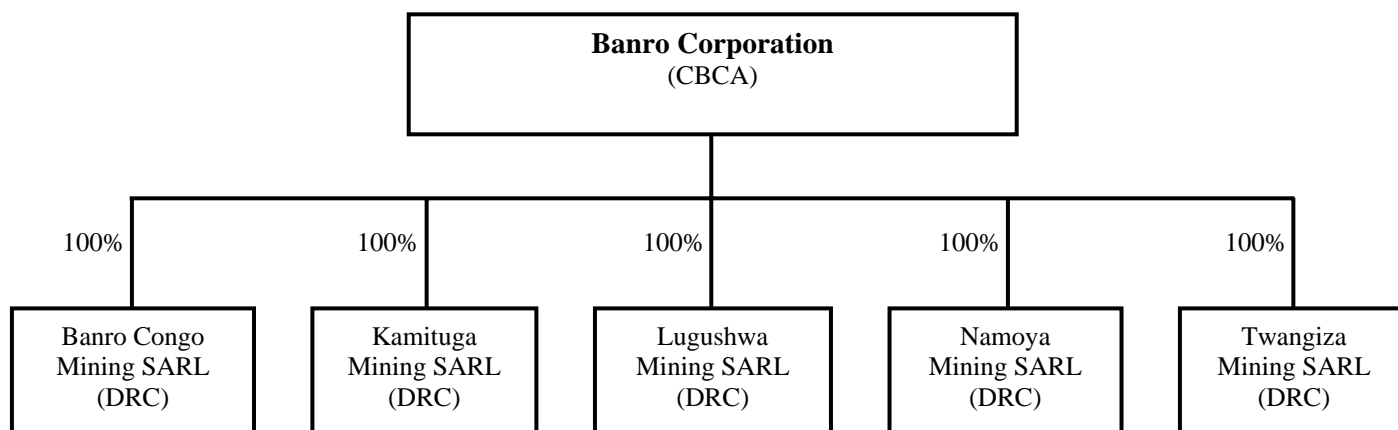
The head office and registered office of Banro is located at 1 First Canadian Place, Suite 7070, 100 King Street West, Toronto, Ontario, M5X 1E3.

The Company was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") on May 3, 1994 by articles of incorporation. Pursuant to articles of amendment effective May 7, 1996, the name of the Company was changed from Banro International Capital Inc. to Banro Resource Corporation and the authorized share capital of the Company was increased by creating an unlimited number of a new class of shares designated as preference shares, issuable in series. The Company was continued under the Ontario *Business Corporations Act* by articles of continuance effective on October 24, 1996. By articles of amendment effective on January 16, 2001, the name of the Company was changed to Banro Corporation and the Company's outstanding common shares were consolidated on a three old for one new basis. The Company was continued under the CBCA by articles of continuance dated April 2, 2004. By articles of

amendment dated December 17, 2004, the Company's outstanding common shares were subdivided by changing each one of such shares into two common shares.

1.2 Intercorporate Relationships

The following chart illustrates the relationship between Banro and its material subsidiaries, together with the jurisdiction of incorporation of each such subsidiary and the percentage of voting securities beneficially owned or over which control or direction is exercised by Banro.



ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a Canadian-based gold exploration company focused on the exploration and development of four major, 100% owned gold projects (the "**Projects**") located along the 210 kilometre-long Twangiza-Namoya gold belt in the South Kivu and Maniema Provinces of the eastern region of the Democratic Republic of the Congo (the "**DRC**"). These Projects are known as Twangiza, Lugushwa, Namoya and Kamituga.

2.1 Background

In 1996, the Company acquired, by way of several transactions, 72% of the outstanding shares of the DRC company, Société Zaïroise Minière et Industrielle du Kivu S.A.R.L. ("**SOMINKI**"). The DRC government held the remaining 28% of SOMINKI's shares as a participating interest. SOMINKI, which held 100% of the Projects, was an operating, very well-established mining company in the DRC with a long production history. With the acquisition of control of SOMINKI, the Company also acquired SOMINKI's significant library of geological and exploration data that had accumulated since the early 1920s.

In early 1997, the DRC government ratified a new 30 year mining convention (the "**Mining Convention**") among itself, SOMINKI and the Company. The Mining Convention provided for the transfer of all of the mineral assets and real property of SOMINKI to a newly created DRC company, Société Aurifère du Kivu et du Maniema S.A.R.L. ("**SAKIMA**"), and that 93% of SAKIMA's shares were to be held by the Company, with the remaining 7% to be owned by the DRC government as a non-dilutive interest. The Mining Convention also provided for, among other things, confirmation of title in respect of all of the Projects for a 30 year period.

Commencing in August 1997 and ending in April 1998, the Company carried out a phase I exploration program on the Twangiza Project which consisted of geological mapping, surveying, data verification, airborne geophysical surveying, diamond drilling and resource modeling.

In July 1998, the DRC government, without prior warning or consultation, issued Presidential decrees which effectively resulted in the expropriation of the Company's Projects.

In April 2002, the DRC government formally signed a settlement agreement (the "**Settlement Agreement**") with the Company. The agreement called for, among other things, the Company to hold a 100% interest in the Twangiza, Kamituga, Lugushwa and Namoya Projects under a revived Mining Convention. In accordance with the Settlement Agreement, the Company reorganized the Projects by transferring the Projects from SAKIMA to four newly-created, wholly-owned DRC subsidiaries of the Company (which are named Twangiza Mining SARL, Kamituga Mining SARL, Lugushwa Mining SARL and Namoya Mining SARL), each of which owns 100% of its respective Project (see item 1.2 of this AIF).

In late 2003, the Company re-opened its exploration office in the town of Bukavu in eastern DRC.

2.2 More Recent Events

Recruitment of Management - During 2004, the Company recruited a management team with extensive African and gold industry experience. Included in the people who joined the Company during 2004 were Peter N. Cowley as Chief Executive Officer, President and a director, Simon F.W. Village as Chairman of the Board and a director, Michael B. Skead as Exploration Manager (later promoted to Vice President, Exploration) and John A. Clarke as a director. See item 8 ("Directors and Officers") of this AIF.

Resumption of Exploration - In November 2004, the Company commenced exploration activities at the Namoya Project and in January 2005 the Company commenced exploration activities at the Lugushwa Project. The Company commenced the second phase of exploration at the Twangiza Project in October 2005. See items 3.3.1, 3.3.2 and 3.3.3 of this AIF regarding the Company's exploration activities during 2006.

Stock Exchange Listings - On March 28, 2005, the Company's common shares began trading on the American Stock Exchange. On November 10, 2005, the Company's common shares began trading on the Toronto Stock Exchange (the "**TSX**") and ceased trading on the TSX Venture Exchange concurrent with the TSX listing. RBC Capital Markets acted as sponsor to Banro in its application for listing on the TSX.

Financings

In March 2004, the Company completed a Cdn\$16,000,000 private placement financing.

In July 2005, the Company completed an Cdn\$18,375,000 private placement financing. This placement was made to an investment fund managed by Capital Research and Management Company and to institutional accounts managed by affiliates of Capital Group International, Inc.

In October 2005, the Company completed a non-brokered Cdn\$13,000,000 private placement financing. The subscribers in respect of this financing were an investment fund managed by Actis Capital LLP and an investment fund co-managed by Actis Capital LLP and Cordiant Capital Inc.

In May 2006, the Company completed an equity financing for total gross proceeds of Cdn\$56,012,800. The underwriters who conducted this financing were RBC Capital Markets as lead manager, Raymond James Ltd. and MGI Securities Inc.

ITEM 3: DESCRIPTION OF THE BUSINESS

3.1 General

The Company is a Canadian-based gold exploration company focused on the exploration and development of four major, 100% owned gold projects (the "**Projects**") located along the 210 kilometre-long Twangiza-Namoya gold belt in the South Kivu and Maniema Provinces of the eastern region of the Democratic Republic of the Congo (the "**DRC**"). These Projects are known as Twangiza, Lugushwa, Namoya and Kamituga and consist of a total of 13 exploitation permits held by the following wholly-owned DRC subsidiaries of the Company: Twangiza Mining SARL, Lugushwa Mining SARL, Namoya Mining SARL and Kamituga Mining SARL. See items 3.3.1, 3.3.2, 3.3.3 and 3.3.4 of this AIF for additional information relating the Company's four Projects.

The Company's wholly-owned DRC subsidiary, Banro Congo Mining SARL, recently acquired 14 exploration permits covering 3,130 square kilometres of ground located between and contiguous to the Company's Twangiza, Kamituga and Lugushwa Projects.

Employees

The Company and its subsidiaries have a total of 192 full-time employees (as at December 31, 2006).

Social and Environmental Policies

Since launching its current exploration programs in late 2004, Banro has been working with local communities to improve basic education, health and infrastructure. In late 2005, the Company formalized this commitment to community development with the creation of the Banro Foundation. The Banro Foundation is a registered charity, operating in the DRC, with a mandate to support education, health and infrastructure improvements principally in the local communities where Banro operates. The Company provided initial capitalization and created a management structure that ensures the participation in decision-making of tribal chiefs and local representatives of the Catholic Church. The Foundation focuses on needs that have been identified by such community leaders and invests in improvements that will benefit communities as a whole. To the extent possible, the Foundation employs local labour in all initiatives. Additional information with respect to the Banro Foundation and can be found on the Company's web site at www.banro.com.

Banro is committed to the creation of jobs and economic opportunities for local Congolese. In a little over three years, Banro has gone from having no presence in the eastern DRC to being one of the largest private employers in the region. As it has grown, the Company has deliberately created opportunities for many local Congolese. Additional information with respect to job creation can be found on the Company's web site at www.banro.com.

As set out in the Business Conduct Policy adopted by the Company (a copy of this policy can be obtained from SEDAR at www.sedar.com), the Company believes that effectiveness in environmental standards, along with occupational health and safety, is an essential part of achieving success in the mineral exploration business. The Business Conduct Policy states that Banro will therefore work at continuous improvement in these areas and will be guided by the following principles: (a) creating a safe work

environment; (b) minimizing the environmental impacts of its activities; (c) building cooperative working relationships with local communities and governments in the Company's areas of operations; (d) reviewing and monitoring environmental and safety performance; and (e) prompt and effective response to any environmental and safety concerns.

Banro adheres to the E3 Environmental Excellence in Exploration guidelines, which were developed by the Prospectors and Developers Association of Canada.

Banro's management has also taken steps to ensure that all employees and suppliers respect and adhere to the laws of the DRC with respect to the protection of threatened and endangered species.

3.2 Risk Factors

The exploration and development of gold properties are speculative activities that involve a high degree of financial risk. The risk factors which should be taken into account in assessing the Company's activities and an investment in its securities include, but are not necessarily limited to, those set out below. Any one or more of these risks could have a material adverse effect on the value of any investment in the Company and the business, financial position or operating results of the Company and should be taken into account in assessing the Company's activities.

The following summary, which is not exhaustive, represents some of the major risk factors that affect Banro.

Risks of Operating in the DRC

Banro's Projects are located in the east of the DRC. The assets and operations of the Company are therefore subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in the DRC may adversely affect Banro's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights, could result in loss, reduction or expropriation of entitlements. In addition, in the event of a dispute arising from operations in the DRC, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

The DRC is a developing nation emerging from a period of civil war and conflict. Physical and institutional infrastructure throughout the DRC is in a debilitated condition. The DRC is in transition from a largely state controlled economy to one based on free market principles, and from a non-democratic political system with a centralized ethnic power base, to one based on more democratic principles (presidential and parliamentary elections were successfully held in 2006). There can be no

assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for Banro and its operations. The DRC continues to experience instability in parts of the country due to certain militia and criminal elements. While the government and United Nations forces are working to support the extension of central government authority throughout the country, there can be no assurance that such efforts will be successful.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in the DRC. HIV/AIDS is a major healthcare challenge faced by the Company's operations in the country. There can be no assurance that the Company will not lose members of its workforce or workforce manhours or incur increased medical costs, which may have a material adverse effect on the Company's operations.

The DRC has historically experienced relatively high rates of inflation.

Exploration and Mining Risks

All of the Company's properties are in the exploration stage only and none of the properties contain a known body of commercial ore. The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit, once discovered, will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Banro not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Banro towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Uncertainty in the Estimation of Mineral Resources

There is a degree of uncertainty to the calculation of mineral resources. Until mineral resources are actually mined and processed, the quantity and grade of mineral resources must be considered as estimates only. In addition, the quantity and grade of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity or grade of mineral resources may affect the economic viability of the deposit. In addition, there can be no assurance that gold recoveries or other

metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Uncertainty Relating to Inferred Mineral Resources

There is a risk that the inferred mineral resources cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty that may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

Gold Prices

The future price of gold will significantly affect the development of Banro's Projects. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond Banro's control. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from Banro's mineral interests to be impracticable. Depending on the price of gold, projected cash flow from planned mining operations may not be sufficient and Banro could be forced to discontinue development and may be forced to sell its Projects. Future production from Banro's Projects is dependent on gold prices that are adequate to make these Projects economic.

No History of Mining Operations or Profitability

Banro does not have a history of mining operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future. Banro has only incurred operating losses, and the development of its Projects is at an early stage. It is therefore not possible to evaluate future prospects based on past performance. There can be no certainty that Banro will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

Dependence on Limited Properties

The Twangiza, Lugushwa, Namoya and Kamituga Projects account for all of the Company's mineral resources. Any adverse development affecting the progress of any of these Projects may have a material adverse effect on the Company's financial performance and results of operations.

Finance Requirements

The Company will require significant financing in order to carry out plans to develop its Projects. The Company has no revenues and is wholly reliant upon external financing to fund such plans. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of the Company's shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's financial condition, results of operations and liquidity and require the Company to cancel or postpone planned capital investments.

Market Perception

Market perception of junior gold exploration companies such as the Company may shift such that these companies are viewed less favourably. This factor could impact the value of investors' holdings and the ability of the Company to raise further funds, which could have a material adverse effect on the Company's business, financial condition and prospects.

Uninsured Risks

Banro may become subject to liability for accidents, pollution and other hazards against which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits. Losses from these events may cause Banro to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of Banro's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Banro's operations. Environmental hazards may exist on the properties on which Banro holds interests which are unknown to Banro at present and which have been caused by previous owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Government Regulation

Banro's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although Banro's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development.

Many of Banro's mineral rights and interests are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that Banro will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, Banro may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by

reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Banro and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of mineral interests.

Infrastructure for the Projects

The Company's Projects are located in remote areas of the DRC, which lack basic infrastructure, including sources of power, water, housing, food and transport. In order to develop any of its Projects Banro will need to establish the facilities and material necessary to support operations in the remote locations in which they are situated. The remoteness of each Projects will affect the potential viability of mining operations, as Banro will also need to establish substantially greater sources of power, water, physical plant and transport infrastructure than are currently present in the area. The lack of availability of such sources may adversely affect mining feasibility and will, in any event, require Banro to arrange significant financing, locate adequate supplies and obtain necessary approvals from national, provincial and regional governments, none of which can be assured.

Share Price Risk

The market price of a publicly traded stock, particularly a junior resource issuer like the Company, is affected by many variables not directly related to the success of the company, including the market for all junior resource sector shares, the breadth of the public market for the stock, and the attractiveness of alternative investments. The affect of these and other factors on the market price of common shares on the exchanges on which the Company trades suggests that the Company's shares will be volatile.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of the Company's common shares in the public markets, or the potential for such sales, could decrease the trading price of such shares and could impair Banro's ability to raise capital through future sales of common shares. Banro has previously completed private placements at prices per share which are lower than the current market price of its common shares. Accordingly, a significant number of the Company's shareholders have an investment profit in the common shares that they may seek to liquidate.

Currency Risk

The Company uses the United States dollar as its functional currency. Fluctuations in the value of the United States dollar relative to the Canadian dollar could have a material impact on the Company's consolidated financial statements by creating gains or losses. No currency hedge policies are in place or are presently contemplated.

Dependence on Management and Key Personnel

The success of the Company depends on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company. The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company currently does not have key person insurance on these individuals. The Company may need to recruit

additional qualified personnel to supplement existing management and there is no assurance that the Company will be able to attract such personnel.

Competition

The natural resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself.

Conflict of Interest

A number of directors of the Company also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to the Company and to such other companies.

3.3 Banro's Gold Projects

The Company holds, through four wholly-owned DRC subsidiaries, a 100% interest in four gold Projects, which are known as Twangiza, Lugushwa, Namoya and Kamituga. These Projects are comprised of a total of 13 exploitation permits and are found along the 210 kilometre-long Twangiza-Namoya gold belt in the South Kivu and Maniema Provinces of eastern DRC. These Projects, totalling 2,600 square kilometres, cover all the major, historical producing areas of the gold belt, where approximately 2.4 million ounces of gold were reportedly produced in the past from alluvial and hard rock sources.

The "qualified person" (as such term is defined in NI 43-101) who oversees the Company's exploration programs is Michael B. Skead. Mr. Skead is Vice President, Exploration of Banro, and is responsible for the technical information in this AIF.

3.3.1 Twangiza

The following is a reproduction of the summary from the 2007 Twangiza Technical Report, a copy of which can be obtained from SEDAR at www.sedar.com. Refer to the 2007 Twangiza Technical Report for detailed disclosure regarding the Twangiza Project. The 2007 Twangiza Technical Report is incorporated into this AIF by reference.

Reproduction of Summary from 2007 Twangiza Technical Report

"The 1,164 square kilometre Twangiza Property is located in the South Kivu Province of the Democratic Republic of the Congo (DRC), 35 kilometres west of the Burundi border and 45 kilometres to the south southeast of Bukavu (Figures 1 and 2). The Twangiza Property consists of six exploitation permits, which are wholly-owned by Banro Corporation indirectly through a Congolese subsidiary, Twangiza Mining sarl (Figures 3 and 4).

The Twangiza deposit is located at the hinge of the Twangiza anticline, which is underlain by mudstone, siltstones and greywackes that have been intruded along bedding planes by porphyry sills. Auriferous sulphides (pyrite and arsenopyrite) occur as dissemination and vein gangue in both the sediments and the feldspar porphyry sills. Sulphide content is greatest at the axial plane of the fold as brittle deformation is greatest due to extension forces from the folding.

This technical report summarizes the results of geological modelling and grade estimation of the Twangiza deposit and the evaluation of the Mwana River "Valley Fill" which was undertaken in January 2007. This report is intended to comply with the requirements of National Instrument 43-101 (NI 43-101), including Form 43-101F1.

The resource estimates come at the end of the second phase of resource drilling of the Twangiza deposit and the Mwana River "Valley Fill" sampling completed at Twangiza in December 2006. Appendix I is the evaluation report of the Mwana River "Valley Fill".

Seventy-one recent diamond drill holes totalling 17,037.34 metres, 19 diamond holes drilled in 1997/98 and previously developed and verified adit and trench data were used in the remodelling exercise. As part of the Company's QA/QC procedures, internationally recognised standards, duplicates and blanks were inserted into the sample batches. A total of 2,033 relative density measurements were taken from the recent drill core to convert volumes into tonnages. The author therefore considers the amount of sampling data, geological mapping and assaying results to have been adequately checked for it to be employed in the estimation of the current mineral resources.

The methodology employed in estimating the mineral resources utilised a 3-dimensional wireframe model of the mineralization interpreted within 0.3-1.0 g/t Au sample cutoff, defined first in plan using the adit and trench data at 20 metres interval, and then with drill hole data on cross sections at 40 - 80 meter intervals. The increased geological knowledge is a major constraining factor on the resource. The geological aspects considered were lithological and the structural relationship to the antiformal axis and some faulting on the east limb. The ore body model was constrained within the wireframe with primary block dimensions of 20 meters in the strike and cross structure directions, and 10 meters in the vertical direction.

Semi-variograms were constructed using two-metre sample composite of the gold values that locate within the mineralized domain. Some structure was apparent in the along strike and down-dip directions allowing for ordinary kriging interpolation algorithm to be employed. Inverse distance squared weighting was used to interpolate grades into the model in areas which fall outside the range determined by the semivariogram, a feature which is reflected in the classification of the resource.

Ore classification was carried out using solid wireframes to flag blocks as measured, indicated and inferred. The improved geological knowledge coupled with the increased data density, the continuity of the mineralization and the increase reliability of the database, have allowed resources to be classified with higher confidence.

Steffen, Robertson and Kirtsen (UK) Ltd. (SRK), who undertook the initial data compilation in 1998 and followed it up with a valuation of the project between 1999 and 2003, have reviewed the field work and the modelling and estimation procedures in respect of the Twangiza Property and concur with the approach used by Banro.

The table below summarizes the current Mineral Resource Estimates for the Twangiza deposit using a 1.0 g/t Au cut-off.

Category	Tonnage (Mt)	Grade (g/t Au)	Metal (Mg Au)	Au (Moz)
Measured	9.926	2.99	29.678	0.955
Indicated	29.303	2.18	63.880	2.053
Measured and Indicated	39.229	2.39	93.757	3.008
Inferred	42.119	1.85	77.789	2.501

As well, the Inferred Mineral Resource reported from the "Valley Fill" material at a 1.0 g/t Au cut-off is 0.132 million ounces of gold (0.985 million tonnes grading 4.16 g/t Au).

The estimates for the Measured and Indicated Mineral Resources compare to the September 2006 estimates as follows:

Sept. 2006 Estimates: 21.60 Mt at a mean grade of 2.92 g/t containing 62,954 kg gold.

Jan. 2007 Estimates: 39.23 Mt at a mean grade of 2.39 g/t containing 93,757 kg gold.

The increase in the metal content of the high confidence resources in the current estimates relative to the September 2006 estimates is a function of the increased data density and improved geological knowledge as a result of the additional drilling.

The current Mineral Resource estimates are encouraging in terms of the increase in the Measured and Indicated resources, and gives a clear scope and direction to the project.

It is recommended that the exploration programme at Twangiza for 2007 should focus on the following:

- Continue with the soil sampling to define new targets.
- Diamond drilling to test the east and west soil geochemical anomalies north of the Twangiza deposit in order to generate additional Indicated and Inferred resources.
- Diamond drilling to upgrade Inferred Resources within the Twangiza deposit to the Indicated category.
- Completion of a scoping study to provide preliminary indications of the economic viability of the Twangiza deposit.
- Commencement of regional exploration in other significant prospects and targets in the vicinity of the Twangiza project area.
- Undertake an airborne geophysical survey to identify geophysical targets.

A total of US\$13,226,673 is budgeted for the Twangiza Project for 2007."

The actual expenditures incurred at Twangiza during 2007 will be dependent on the exploration results achieved during 2007.

3.3.2 Lugushwa

The following is a reproduction of the summary from the 2007 Lugushwa Technical Report, a copy of which can be obtained from SEDAR at www.sedar.com. Refer to the 2007 Lugushwa Technical Report for detailed disclosure regarding the Lugushwa Project. The 2007 Lugushwa Technical Report is incorporated into this AIF by reference.

Reproduction of Summary from 2007 Lugushwa Technical Report

"Through its wholly-owned subsidiary, Lugushwa Mining SARL, Banro Corporation ("Banro") is carrying out a gold exploration programme on the Lugushwa Project in the Democratic Republic of the Congo (the "DRC"). The Lugushwa Project consists of three exploitation permits covering an area of 641 km², and is located approximately 150 km southwest of the town of Bukavu in South Kivu Province in the east of the DRC. Lugushwa Mining SARL has a 100% interest in the said permits.

The Lugushwa area was explored and exploited for alluvial gold between 1957 and 1963. However, from 1963 to the outbreak of political unrest in 1996/7, primary gold mineralization was the main exploration and mining target. Production records are incomplete, but at least 457,000 ounces of alluvial gold were produced, with a further 10,000 ounces from primary sources.

In 1996, Banro acquired control of the Lugushwa Project together with a large library of historical data relating to the Lugushwa Project. Consolidation, computerisation and interpretation of this data were carried out for Banro by CME & Company during 1997 and 1998. Steffen, Robertson and Kirsten (UK) Ltd. ("SRK") completed a detailed geological review in 1999, and carried out a follow-up visit in 2004, on the basis of which the following Inferred Mineral Resource (using a 1.0 g/t Au cut-off grade) was outlined in four historical deposits: 37 million tonnes at an average grade of 2.3 g/t Au for 2.735 million ounces of gold.

Banro commenced an exploration programme in Lugushwa in January 2005, comprising geological mapping, soil geochemistry, trenching, adit mapping and surveying. This work has provided a clearer understanding of the mineralization style and controls. In addition, significant extensions to the known deposits have been identified by soil geochemistry and tested by trenching. This work was concentrated in the vicinity of the known deposits, within an area representing approximately 6% of the total property area. Historical data and current artisanal mining activity elsewhere in the property indicate good potential for locating additional mineralization through the continuation of systematic exploration.

In January 2006, Banro commenced a diamond drilling programme, targeting the known mineralised occurrences and the extensions identified through mapping, geochemistry and trenching. Fifty-four boreholes totalling 8,322 metres have been drilled to date.

The mineralization at Lugushwa is interpreted to be associated with the Sn-W bearing granites that have intruded the metasediments of the Proterozoic Kibara belt. This class of intrusion-related gold deposits has been identified in several parts of the world, and individual deposits have the potential for hosting large, multi-million ounce resources. At Lugushwa, the mineralization takes the form of (a) cross-cutting auriferous quartz

vein sets in several orientations, with disseminated, sulphide-associated mineralization in the surrounding rock, and (b) discrete, locally high grade quartz veins.

The mineralization controls are interpreted to be:

- *Lithological*, with less competent and more chemically reactive metapelite units interbedded with quartzites and siltstones.
- *Folding*, which has (a) caused more abundant and complex fracturing and bedding-parallel dilation in the axial zones of the folds, and (b) focussed fluids in the low pressure zones in the fold closures.
- *Shearing*, which may have formed channel-ways for the mineralising fluids.

Mineralization appears to be most intense where interbedded metapelites and siltstones occur in the hinges of northerly-plunging folds, due to (a) migration of hydrothermal fluids into the low-pressure zones, (b) a higher density of host structures for quartz vein emplacement, and (c) more intense fluid-wall rock interaction and subsequent disseminated style mineralization. This setting is more conducive for the formation of bulk-mineable deposits. Outside these areas, particularly in the quartzite-dominated parts of the succession, the mineralizing fluids tend to form more isolated and discrete veins, with less opportunity for wall-rock interaction and disseminated mineralization.

The field exploration work undertaken by Banro from January 2005 to date at Lugushwa is compliant with National Instrument 43-101 ("NI 43-101"). The mineral resource estimate for Lugushwa conforms to the reporting standards of NI 43-101.

It is recommended that the exploration programme at Lugushwa during 2007 should focus on the following:

- Further diamond drilling to upgrade Inferred Resources to the Indicated category.
- Initiation of a scoping study to provide preliminary indications of the economic viability of the deposits.
- Completion of sufficient drilling to enable the estimation of Inferred Resources in the new zones of mineralization, recently identified through soil geochemistry, trenching and preliminary drilling.
- Continuation of regional exploration elsewhere on the Lugushwa Project, through the use of remote sensing, stream sediment sampling and soil geochemistry.
- Acquisition of airborne geophysical data (magnetics and radiometrics) for the whole of the Lugushwa Project. Airborne electromagnetics may also prove to be a valuable exploration tool, and an orientation survey over the area of known mineralization is planned for the first half of 2007.
- A preliminary assessment of the potential for alluvial gold on the Lugushwa Project, in the light of the abundant artisanal activity and historical sampling data.

The budget for the Lugushwa Project for 2007 is US\$5,221,227. A total of US\$1,500,000 has been assigned to drilling which accounts for approximately 29% of the total budget. The actual expenditures incurred at Lugushwa during 2007 will be dependent on the exploration results achieved during 2007."

3.3.3 Namoya

The following is a reproduction of the summary from the 2007 Namoya Technical Report, a copy of which can be obtained from SEDAR at www.sedar.com. Refer to the 2007 Namoya Technical Report for detailed disclosure regarding the Namoya Project. The 2007 Namoya Technical Report is incorporated into this AIF by reference.

Reproduction of Summary from 2007 Namoya Technical Report

"The Namoya Project consists of one exploitation permit covering an area of 174 square kilometres and is located approximately 225 kilometres southwest of the town of Bukavu in Maniema Province in the east of the Democratic Republic of the Congo (the "DRC") (Figures 1 to 3). Namoya Mining SARL, which is wholly-owned by Banro Corporation ("Banro"), has a 100% interest in the said permit. The Namoya property comprises five separate ore bodies: Mwendamboko and Muviringu to the northwest, Kakula in the centre and Namoya Summit and Filon B to the southeast (Figure 4).

The main rock unit of the mineralization has been described as "green schistose rock"; an essentially green, fine to very fine grained sericite schist with associated albite, quartz, chlorite and calcite. Quartz veins and quartz 'stockworks' cross-cut the majority of the host sediments which have also been intruded by quartz-feldspar porphyry. The quartz systems and its associated sediments host the primary gold mineralization.

This technical report summarizes the results of the 2006 exploration programme at Namoya and mineral resource update of the Namoya mineralization. This report is intended to comply with the requirements of National Instrument 43-101 ("NI 43-101"), including Form 43-101F1.

The most recent resource estimates for Namoya were completed in September 2006 following the completion of the second phase of drilling at the Mwendamboko, Muviringu, Kakula and Namoya Summit prospects. Seventy diamond drill holes totalling 9,442.21 metres and previously verified adit data were used in this remodelling exercise. As part of Banro's QA/QC procedures, internationally recognised standards, duplicates and blanks were inserted into the sample batches. A total of 1,861 relative density measurements were taken from drill core at the deposits to convert volumes into tonnages.

The methodology employed in estimating the mineral resources utilised a 3-dimensional wireframe model of the mineralization interpreted with 0.5-1.0 g/t Au sample cut-off, defined first in plan using adit, trench and drill hole data, and on cross sections at 20-40 meter intervals. The increased geological knowledge is a major constraining factor on the resource, rather than the simple mineralization constraint that was previously employed in the absence of geological data. The ore body models were constrained within the wire frame with primary block dimensions of 10 meters in the strike and cross structure directions, and 5 meters in the vertical direction.

Semi-variograms were constructed for each deposit using one metre sample composite of the gold values. Some structure was apparent in the along strike and down-dip directions, and a cringe interpolation algorithm was adopted for the estimates given in the Table below. The Inferred Mineral Resources generated for Muviringu employed the inverse distance weighting interpolation algorithm.

The recent topographic survey and in particular the updated pit survey at Mwendamboko have been used to deplete the models.

Ore classification was carried out using solid wireframes to flag blocks as Indicated and Inferred. The improved geological knowledge coupled with the increased data density, the continuity of the mineralization and the increase reliability of the database, have allowed resources to be classified with higher confidence.

Steffen, Robertson and Kirsten (UK) Ltd. (SRK), who undertook the initial data compilation in 1998 and followed it up with a valuation between 1999 and 2003, have reviewed the field work and the modelling and estimation procedures in respect of the Namoya Project and concur with the approach used by Banro.

The table below summarizes the current mineral resource estimates for Namoya using a 1.0 g/t Au block cut-off.

DEPOSIT	CLASS	MTonnes	GRADE (Au g/t)	METAL (MGrams Au)	CONTAINED GOLD (MOunces)
Mwendamboko	Indicated	3.119	3.48	10.862	0.349
Mwendamboko	Inferred	2.319	4.57	10.603	0.341
Kakula	Indicated	2.539	2.70	6.849	0.220
Kakula	Inferred	0.749	3.19	2.393	0.077
Namoya Summit	Indicated	1.728	2.19	3.778	0.122
Namoya Summit	Inferred	1.051	2.32	2.437	0.078
Muviringu	Inferred	0.710	3.80	2.698	0.087
Total	Indicated	7.386	2.91	21.489	0.691
	Inferred	4.829	3.76	18.131	0.583

Tonnage and Ounces rounded to the nearest '000.

The estimates for the Indicated Mineral Resources at Namoya compared to the previous (June 2005) estimates are as follows:

Previous Estimates: 4.560 Mt at a mean grade of 2.97 g/t containing 13,543 kg gold.

Current Estimates: 7.386 Mt at a mean grade of 2.91 g/t containing 21,489 kg gold.

The increase in the metal content of the Indicated Resource in the current estimates relative to the previous estimates is a function of the increased data density and improved geological knowledge as a result of the additional drilling.

The current mineral resource estimates are encouraging in terms of the increase in the Indicated Resources, and gives a clear scope and direction to the Project.

It is recommended that the exploration programme at Namoya for 2007 should focus on the following:

- Continue with regional exploration to define new targets.
- Diamond drilling to test soil geochemical anomalies in order to generate additional Indicated and Inferred Mineral Resources.
- Diamond drilling to test the depth extensions of the advanced prospects of Mwendamboko, Kakula and Namoya Summit.
- Infill diamond drilling to upgrade the current Inferred Resources within the advanced prospects at Namoya to the Indicated category.
- Continue with exploration drilling at the Muviringu and Filon B prospects in order to upgrade the current Inferred Resources at Muviringu to the Indicated Resource category and to generate additional Inferred Resources.
- Completion of a scoping study to provide preliminary indications of the economic viability of the Namoya deposits.
- Undertake an airborne geophysical survey to identify geophysical targets.

The budget for the Namoya Project for 2007 is US\$5,543,877. A total of US\$1,569,000 has been assigned to drilling which accounts for approximately 28% of the total budget. The actual expenditures incurred at Namoya during 2007 will be dependent on the exploration results achieved during 2007."

3.3.4 Kamituga

The following provides a summary regarding the Kamituga Project. Refer to the SRK Technical Report (a copy of which can be obtained from SEDAR at www.sedar.com) for detailed disclosure regarding the Kamituga Project. Section 2 (entitled "Regional Geology") and section 3 (entitled "Kamituga") of the SRK Technical Report are incorporated into this AIF by reference.

The Kamituga Project consists of three exploitation permits covering an area of 649 square kilometres and is located approximately 100 kilometres southwest of the town of Bukavu in the South Kivu Province in the east of the DRC. Banro's wholly-owned DRC subsidiary, Kamituga Mining SARL, has a 100% interest in the said permits. Kamituga is the most mature of the Company's four Projects, having previously been the site of major alluvial and underground mining operations.

Gold was first reported in the Kamituga region during the early 1920s with the discovery of alluvial gold in the Luliaba, Mobale, Kahushimira, Kamakundu and Idoka rivers. Commercial alluvial mining commenced in 1924. Exploration during the 1930s also led to the discovery of numerous high grade quartz veins with hard rock mining commencing in 1937 at the Mobale underground operation. At the closure of the Kamituga operations in 1996, approximately 1.5 million ounces of gold had been produced from alluvial and hard rock mining.

SRK noted in the SRK Technical Report: "...there is much evidence to support the wide scale occurrence of gold mineralization. Most of the work to date has been confined to the area surrounding the Mobale Mine and very little appears to have been conducted throughout the remaining area of the concession."

In the SRK Technical Report, SRK outlined the following mineral resource estimate for Kamituga, using a 1.0 g/t cut-off grade and based on polygonal methods using historical assay results from underground and surface channel sampling:

Inferred Mineral Resource		
Tonnes	Au g/t	Oz gold
7,260,000	3.9	915,000

Mineralisation at Kamituga is hosted within quartz veins containing gold either present as free native gold or associated with sulphides, particularly arsenopyrite. Veins are present in zones along slippage planes parallel to the schistosity or at fold axes resulting from dextral movement of blocks along east-west fault planes due to the intrusion of a deep seated granitoid body. Late stage brittle shear has caused local offset of the vein system up to several tens of metres.

No exploration was conducted at Kamituga during 2005 or 2006. Banro is proposing to commence exploration activities at Kamituga during the first half of 2007, such activities to consist of reviewing and assessing the historical data, airborne magnetics and radiometrics, gridding, geological mapping and soil, trench and adit sampling. Exploration will focus on the disseminated, wall rock mineralization that may have been neglected in the past by previous mining activities when the focus was on high grade, quartz veins and stockworks. No drilling has been budgeted during 2007 although this may change depending on results. The budget for the Kamituga Project for 2007 is approximately \$2.14 million (including approximately \$1.4 million for exploration). The actual expenditures incurred at Kamituga during 2007 will be dependent on the exploration results achieved during 2007.

ITEM 4: DIVIDENDS

Subject to the requirements of the CBCA, there are no restrictions in the Company's articles or by-law that would restrict or prevent the Company from paying dividends. However, the Company has not paid any dividend or made any other distribution in respect of its outstanding shares and management does not anticipate that the Company will pay dividends or make any other distribution in respect on its shares in the foreseeable future. The Company's board of directors, from time to time, and on the basis of any earnings and the Company's financial requirements or any other relevant factor, will determine the future dividend policy of the Company with respect to its shares.

ITEM 5: DESCRIPTION OF CAPITAL STRUCTURE

5.1 Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series, of which 39,770,137 common shares and no preference shares were issued and outstanding as of the date of this AIF. The following is a summary of the material provisions attaching to the common shares and preference shares.

Common Shares

The holders of the common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the preference shares or any other shares ranking senior to the common shares, the holders of the common shares are entitled to (a) receive any dividends as and when declared by the board of directors, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding-up of the Company.

Preference Shares

The board of directors of the Company may issue the preference shares at any time and from time to time in one or more series, each series of which shall have the designations, rights, privileges, restrictions and conditions fixed by the directors. The preference shares of each series shall rank on a parity with the preference shares of every other series, and shall be entitled to priority over the common shares and any other shares of the Company ranking junior to the preference shares, with respect to priority in the payment of dividends and the return of capital and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

5.2 Shareholder Rights Plan

Effective April 29, 2005, the board of directors of the Company (the "**Board**") adopted a Shareholder Rights Plan (the "**Rights Plan**"). The Rights Plan was implemented by way of a shareholder rights plan agreement (the "**Rights Plan Agreement**") dated as of April 29, 2005 between the Company and Equity Transfer Services Inc., as rights agent. The Rights Plan Agreement was approved by shareholders of the Company at the annual and special meeting of shareholders held on June 29, 2005.

The objectives of the Rights Plan are to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any take-over bid for the Company. The Rights Plan discourages discriminatory, coercive or unfair take-overs of the Company and gives the Company's Board time if, in the circumstances, the Board determines it is appropriate to take such time, to pursue alternatives to maximize shareholder value in the event an unsolicited take-over bid is made for all or a portion of the outstanding common shares of the Company (the "**Common Shares**").

The Rights Plan discourages coercive hostile take-over bids by creating the potential that any Common Shares which may be acquired or held by such a bidder will be significantly diluted. The potential for significant dilution to the holdings of such a bidder can occur as the Rights Plan provides that all holders of Common Shares who are not related to the bidder will be entitled to exercise rights ("**Rights**") issued to them under the Rights Plan and to acquire Common Shares at a substantial discount to prevailing market prices. The bidder or the persons related to the bidder will not be entitled to exercise any Rights under the Rights Plan. Accordingly, the Rights Plan will encourage potential bidders to make take-over bids by means of a "Permitted Bid" (as such term is defined in the Rights Plan Agreement) or to approach the Board to negotiate a mutually acceptable transaction. The Permitted Bid provisions of the Rights Plan are designed to ensure that in any take-over bid for outstanding Common Shares all shareholders are treated equally and are given adequate time to properly assess such take-over bid on a fully-informed basis.

The Board authorized the issuance of one Right in respect of each Common Share outstanding at the close of business on April 29, 2005 (the "**Record Time**"). In addition, the Board authorized the issuance of one Right in respect of each additional Common Share issued after the Record Time. The Rights trade with and are represented by the Company's Common Share certificates, including certificates issued prior to the Record Time. Until such time as the Rights separate from the Common Shares and become exercisable, Rights certificates will not be distributed to shareholders. At any time prior to the Rights becoming exercisable, the Board may waive the operation of the Rights Plan with respect to certain events before they occur. The issuance of the Rights is not dilutive until the Rights separate from the underlying Common Shares and become exercisable or until the exercise of the Rights.

A copy of the Rights Plan Agreement can be obtained from SEDAR at www.sedar.com. Reference is made to the Rights Plan Agreement for additional information with respect to the Rights Plan.

ITEM 6: MARKET FOR SECURITIES

The Company's common shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and on the American Stock Exchange, in each case under the symbol "BAA". The Company's common shares commenced trading on the American Stock Exchange on March 28, 2005 and commenced trading on the TSX on November 10, 2005. Prior to November 10, 2005, such shares traded on the TSX Venture Exchange.

The following table sets forth the high, low and closing sale prices and volume of trading of the Company's common shares for the months indicated, as reported by the TSX.

<u>Month</u>	<u>High</u> (Cdn\$)	<u>Low</u> (Cdn\$)	<u>Close</u> (Cdn\$)	<u>Volume</u> (#)
2006				
December	15.60	14.20	15.20	670,846
November	16.50	13.75	14.40	654,527
October	14.50	8.91	14.16	1,676,391
September	10.01	7.74	9.75	462,630
August	11.10	9.00	9.90	851,551
July	11.75	10.20	11.05	1,198,597
June	12.75	9.55	10.79	1,173,654
May	14.00	11.75	12.23	2,207,271
April	14.25	11.81	13.50	1,200,777
March	13.26	12.00	13.05	695,192
February	13.00	10.25	12.50	2,731,932
January	11.25	9.65	10.81	791,381

The closing price of the common shares of the Company on March 29, 2007 was Cdn\$12.67 per share, as reported by the TSX.

ITEM 7: ESCROWED SECURITIES

To the knowledge of the Company, no securities of the Company are held in escrow.

ITEM 8: DIRECTORS AND OFFICERS

8.1 Name, Occupation and Security Holding

The following table sets forth, as of the date hereof, the name and municipality of residence of each director and officer of the Company, as well as such individual's current position(s) with the Company, principal occupation(s) during the past five years and period of service as a director (if applicable). Each director will hold office until the close of the next annual meeting of shareholders of the Company unless his office is earlier vacated in accordance with the by-law of the Company.

<u>Name, Municipality of Residence and Current Position(s) with Banro</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Director Since</u>
John A. Clarke ⁽¹⁾⁽²⁾ West Vancouver, British Columbia, Canada Director	President of Nevsun Resources Ltd. (a mineral exploration and development company).	February 3, 2004
Peter N. Cowley Surrey, United Kingdom Chief Executive Officer, President and a director	President of the Company since June 2004; Managing Director (Ashanti Exploration) of Ashanti Goldfields Company Limited (a gold mining company) until May 2004.	January 13, 2004
Piers A. Cumberlege ⁽¹⁾⁽²⁾ Montreal, Quebec, Canada Director	Vice President, Private Equity at Cordiant Capital Inc. (an investment fund manager) from April 2005 to present; Vice President Global Partnerships at Bombardier Inc. (a manufacturer of rail and air transportation equipment) from February 2004 to February 2005; prior to February 2004, Vice President of Bombardier International.	July 17, 2006
Arnold T. Kondrat Toronto, Ontario, Canada Executive Vice President and a director	Executive Vice President of the Company and Executive Vice President of BRC Diamond Corporation (a diamond exploration company).	May 3, 1994
Richard J. Lachcik Oakville, Ontario, Canada Director	Partner of Macleod Dixon LLP (a law firm) ⁽³⁾ .	August 23, 1996
Bernard R. van Rooyen ⁽¹⁾⁽²⁾ Johannesburg, South Africa Director	Deputy Chairman of Mvelaphanda Resources Limited (a company which holds major interests in public gold, platinum and diamond mining companies) from March 2004 to present; President of the Company from November 1996 to January 2001; director of various private and public companies engaged in mining.	June 16, 1997

<u>Name, Municipality of Residence and Current Position(s) with Banro</u>	<u>Principal Occupation(s) During the Past Five Years</u>	<u>Director Since</u>
Simon F.W. Village Kent, United Kingdom Chairman of the Board of Directors and a director	Chairman of the Board of the Company since November 2004; Managing Director, Gold Investment Services, of the World Gold Council (an international marketing organization for the gold industry formed and funded by the world's leading gold mining companies) from September 2002 to October 2004; Managing Director in charge of Global Mining and the South African securities business of HSBC (James Capel) (an investment dealer) from May 1998 to September 2002.	March 8, 2004
Geoffrey G. Farr Toronto, Ontario, Canada Corporate Secretary	Partner of Macleod Dixon LLP (a law firm) ⁽³⁾ .	Not applicable
Martin D. Jones Toronto, Ontario, Canada Vice President, Corporate Development	Vice President, Corporate Development of the Company since October 2004; prior thereto, Vice President with Advance Planning/MS&L (a public relations firm).	Not applicable
Donat K. Madilo Mississauga, Ontario, Canada Treasurer	Treasurer of the Company, Treasurer of BRC Diamond Corporation (a diamond exploration company) and Treasurer of Nevada Bob's International Inc. (an international licensor).	Not applicable
J. Gregory Short Aurora, Ontario, Canada Chief Financial Officer	Self-employed Chartered Accountant.	Not applicable
Michael B. Skead Rondebosch, South Africa Vice President, Exploration	Vice President, Exploration of the Company since August 2005; exploration manager for the Company from May 2004 to August 2005; prior to May 2004, self-employed geological consultant.	Not applicable

(1) Member of the audit committee of the board of directors of the Company (the "**Audit Committee**").

(2) Member of the compensation committee of the board of directors of the Company.

(3) Macleod Dixon LLP acts as counsel to the Company.

As of the date hereof, the directors and officers of the Company as a group beneficially own, directly or indirectly, or exercise control or direction over, 2,326,562 common shares of the Company, representing 5.85% of the issued and outstanding common shares of the Company as of the date hereof. As well, the directors and officers of the Company as a group hold, as of the date hereof, 2,015,000 stock options granted pursuant to the Company's Stock Option Plan.

8.2 Corporate Cease Trade Orders or Bankruptcies

No director or officer of Banro, or a shareholder holding a sufficient number of securities of Banro to affect materially the control of Banro, is, or within the 10 years before the date of this AIF has been, a director or officer of any company that, while that person was acting in that capacity,

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, save as described below.

As a result of not filing its audited financial statements for the year ended December 31, 2004 by the filing deadline, Mediterranean Resources Ltd. (which was then named Mediterranean Minerals Corp.) ("**Mediterranean**") was made subject to an issuer cease trade order issued by the British Columbia, Alberta and Ontario Securities Commissions which was revoked on August 17, 2005 (following the filing of the required records). Mr. John A. Clarke, a director of the Company, is a director of Mediterranean and was a director of Mediterranean during the time the said cease trade order was in effect.

As a result of not filing its audited financial statements for the year ended December 31, 2004 by the filing deadline, Eurasia Gold Inc. (which was then named Eurasia Gold Corp.) ("**Eurasia**") was made subject to an issuer cease trade order issued by the British Columbia, Alberta and Ontario Securities Commissions which was revoked on June 29, 2005 (following the filing of the required records). Mr. Richard J. Lachcik, a director of the Company, is a director of Eurasia and was a director of Eurasia during the time the said cease trade order was in effect.

8.3 Personal Bankruptcies

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer, shareholder or personal holding company.

8.4 Penalties or Sanctions

No director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

8.5 Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company.

ITEM 9: AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

The text of the Audit Committee's charter is attached to this AIF as Schedule "A".

Composition of the Audit Committee

The members of the Audit Committee are as follows: John A. Clarke, Piers A. Cumberlege and Bernard R. van Rooyen. Each such member is "independent" within the meaning of Multilateral Instrument 52-110 - *Audit Committees* ("**MI 52-110**"). Each such member is also "financially literate" within the meaning of MI 52-110.

Relevant Education and Experience of Audit Committee Members

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

John A. Clarke

From 1997 to present, Mr. Clarke has been President and Chief Executive Officer of Nevsun Resources Ltd., a mineral exploration and development company which is listed on the Toronto Stock Exchange and the American Stock Exchange.

From 1988 to 1993, Mr. Clarke was with Ashanti Goldfields Company Limited ("**Ashanti**") engaged as a General Manager in a range of roles, including strategic planning, mine production and the technical/administrative support of mining operations. From 1993 to 1997, Mr. Clarke was an Executive Director of Ashanti and was in charge of business development, including company strategic planning, Africa-wide exploration programs, and the acquisition of listed companies. His roles with Ashanti required experience and understanding of all of the issues required in assessing/analyzing and preparing technical and financial plans and statements for mining and exploration operations.

Mr. Clarke holds a Masters of Business Administration from Middlesex Polytechnic (now Middlesex University). This degree included in-depth courses in accounting principles, standards and practices.

Piers A. Cumberlege

In addition to his current investment responsibilities at Cordiant Capital Inc., Mr. Cumberlege has worked at Hawker Siddeley, BTR, GEC-Marconi and Delta Capital in emerging market project finance, corporate acquisition and private equity investment roles since 1983. In these roles he has been actively engaged in

analyzing financial statements of investment prospects, as well as the regular financial monitoring and reporting of portfolio companies. He also has experience of restatement across different national and international accounting standards and introducing IAS and GAAP reporting procedures into companies that have been operating to other local standards.

Mr. Cumberlege served on the audit committee of Sun-Interbrew Limited (a Frankfurt-listed company) between June 1999 and October 2001. He holds a Diploma in Business Administration from Coventry University and the ICD.D qualification from the Canadian Institute of Corporate Directors.

Bernard R. van Rooyen

From 1980 to 1990, Mr. van Rooyen was Executive Director, Corporate Finance and Non-Technical Services to Gold Fields of South Africa Limited, an international mining company listed in Johannesburg, New York, London and various European Exchanges. He was responsible for, among other things, the entire financial system from financial accounts through management accounts, cost control and management information to the treasury.

From 1998 to 2005, Mr. van Rooyen served as a non-executive director on the audit committee of Gold Fields Limited, an international gold producer with a market capitalization of approximately US\$10 billion and the successor to Gold Fields of South Africa Limited. Gold Fields Limited is listed in Johannesburg, New York, London and Frankfurt.

Mr. van Rooyen is currently a non-executive member of the audit committee of Trans Hex Group, a producer and marketer of diamonds listed on the JSE Securities Exchange.

Mr. van Rooyen was President of the Company from November 1996 to January 2001.

Reliance on Certain Exemptions

At no time since the commencement of the year ended December 31, 2006 has the Company relied on an exemption in section 2.4 of MI 52-110 (*De Minimis Non-audit Services*), section 3.2 of MI 52-110 (*Initial Public Offerings*), section 3.3(2) of MI 52-110 (*Controlled Companies*), section 3.4 of MI 52-110 (*Events Outside Control of Member*), section 3.5 of MI 52-110 (*Death, Disability or Resignation of Audit Committee Member*) or section 3.6 of MI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*), on an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110 (*Exemptions*) or on section 3.8 of MI 52-110 (*Acquisition of Financial Literacy*).

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended December 31, 2006 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors of the Company.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies or procedures for the engagement of non-audit services.

External Auditors Service Fees

The following summarizes (a) the estimated total fees of BDO Dunwoody LLP, the external auditors of the Company, for the financial year of the Company ended December 31, 2006 (these fees are estimates as, as at the date of this AIF, these fees had not yet been billed), and (b) the total fees billed by BDO Dunwoody LLP for the financial year of the Company ended December 30, 2005:

	<u>2006</u>	<u>2005</u>
Audit Fees	\$67,000	\$60,895
Audit-Related Fees	Nil	\$3,706 ⁽²⁾
Tax Fees	Nil	\$1,101 ⁽³⁾
All Other Fees	\$18,725 ⁽¹⁾	\$10,079 ⁽⁴⁾

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- (1) The services comprising these fees related to services carried out in connection with the filing by the Company of a short form prospectus pursuant to the equity financing completed by the Company in May 2006.
 - (2) The services comprising these fees related to a review of U.S. GAAP in connection with the filing of the Company's financial statements in the U.S.
 - (3) The services comprising these fees related to the preparation of the 2004 and 2005 Delaware tax returns for the Company's U.S. subsidiary, Banro American Resources Inc.
 - (4) The services comprising these fees related to services carried out in connection with the Company's applications to list its common shares on the American Stock Exchange and on the Toronto Stock Exchange.

ITEM 10: PROMOTERS

No person or company has been, within the three most recently completed financial years or during the current financial year, a "promoter" (as such term is defined under applicable Canadian securities laws) of the Company.

ITEM 11: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

On October 18, 2006, the Company's DRC subsidiary, Banro Congo Mining SARL ("**Banro Congo**"), commenced a lawsuit in the Supreme Court of British Columbia (the "**B.C. Lawsuit**") against La Quinta Resources Corporation ("**La Quinta**"). La Quinta is a public company whose shares trade on the TSX Venture Exchange. The B.C. Lawsuit relates to a memorandum of understanding (the "**MOU**") entered into between La Quinta and W.B. Kasai Congo SPRL ("**W.B. Kasai**") with respect to the exploration for minerals on certain new properties in the DRC located between the Company's Lugushwa and Namoya Projects (the "**Disputed New Ground**"). The B.C. Lawsuit seeks damages and injunctive relief restraining La Quinta from proceeding with the MOU. Banro Congo disputes the validity of the MOU on the basis of a prior agreement entered into between Banro Congo and W.B. Kasai with respect to the exploration for minerals on the Disputed New Ground (the "**Banro Congo Agreement**"). The proceedings are being contested by W.B. Kasai and are still in the pleadings stage.

In early 2007, W.B. Kasai commenced a proceeding against Banro Congo in a DRC Commercial Court relating to the Disputed New Ground and the validity of the Banro Congo Agreement, and recently

obtained a judgment granting a US\$200,000 award against Banro Congo for damages (see the Company's press release dated March 21, 2007). Banro Congo will be appealing this judgment.

Regulatory Actions

During the financial year ended December 31, 2006, (a) no penalties or sanctions were imposed against the Company by a court or regulatory body, and (b) no settlement agreements were entered into by the Company with a court relating to securities legislation or with a securities regulatory authority.

ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, no director or officer of the Company or person or company beneficially owning, directly or indirectly, or exercising control or direction over, more than 10% of the outstanding common shares of the Company, or any of their respective associates or affiliates, had or has any material interest, directly or indirectly, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or would materially affect the Company.

The Company believes that institutional accounts (the "**CGII Accounts**") managed by affiliates of Capital Group International, Inc. hold, in the aggregate, more than 10% of the outstanding common shares of the Company. To the knowledge of the Company, the last public filing by Capital Group International, Inc. disclosing the number of shares held by CGII Accounts was in February 2007 and this filing indicated that CGII Accounts held 12.9% of the outstanding common shares of the Company. The Company does not know the number of shares of the Company held by CGII Accounts as at the date of this AIF.

In July 2005, the Company completed the issue and sale, by way of private placement, of 3,500,000 common shares of the Company at a price of Cdn\$5.25 per share for gross proceeds of Cdn\$18,375,000. This placement was made solely to an investment fund managed by Capital Research and Management Company and to CGII Accounts. In May 2006, the Company completed an equity financing which involved (including the exercise by the underwriters of an over-allotment option) the issue and sale of a total of 4,376,000 common shares of the Company at a price of Cdn\$12.80 per share for total gross proceeds of Cdn\$56,012,800. The Company understands that CGII Accounts also purchased shares under the May 2006 financing.

ITEM 13: TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's common shares is Equity Transfer & Trust Company at its office in Toronto, Ontario.

ITEM 14: MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, which have been entered into by Banro within the most recently completed fiscal year or before the most recently completed fiscal year but are still in effect:

1. the Mining Convention (as amended in connection with the Settlement Agreement) dated February 13, 1997 among the DRC government, SOMINKI and the Company (see item 2.1 of this AIF);

2. the Settlement Agreement dated April 18, 2002 between the DRC government and the Company (see item 2.1 of this AIF); and
3. the Rights Plan Agreement dated as of April 29, 2005 between the Company and Equity Transfer & Trust Company, as rights agent (see item 5.2 of this AIF).

ITEM 15: INTERESTS OF EXPERTS

15.1 Names of Experts

- (a) BDO Dunwoody LLP, Chartered Accountants, who provide the auditors' report accompanying the Company's annual consolidated financial statements. BDO Dunwoody LLP has confirmed to the Company that BDO Dunwoody LLP is independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Ontario.
- (b) Michael B. Skead, who is Vice President, Exploration of the Company and the "qualified person" (as such term is defined in NI 43-101) for the purpose of each of the 2007 Twangiza Technical Report, the 2007 Lugushwa Technical Report and the 2007 Namoya Technical Report.
- (c) Martin F. Pittuck and A. Gareth O'Donovan, who are the "qualified persons" (as such term is defined in NI 43-101) for the purpose of the SRK Technical Report.

15.2 Interests of Experts

To the knowledge of the Company, none of the above-mentioned individuals beneficially owns, directly or indirectly, or exercises control or direction over, 1% or more of the outstanding common shares of the Company. Mr. Skead currently holds 200,000 stock options of the Company granted pursuant to the Company's stock option plan.

ITEM 16: ADDITIONAL INFORMATION

Additional information concerning the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is contained in the Company's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2006.

Schedule "A"

Banro Corporation

Terms of Reference
Audit Committee of the Board of Directors
Banro Corporation

November 23, 2004

Mandate

A. Role and Objectives

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Banro Corporation ("Banro") established for the purpose of overseeing the accounting and financial reporting process of Banro and external audits of the consolidated financial statements of Banro. In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to Banro's internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval Banro's audited annual consolidated financial statements and other mandatory financial disclosure.

Banro's external auditor is accountable to the Board and the Committee as representatives of shareholders of Banro. The Committee shall be directly responsible for overseeing the relationship of the external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities. The external auditor shall report directly to the Committee.

The objectives of the Committee are as follows:

1. to be satisfied with the credibility and integrity of financial reports;
2. to support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of Banro;
3. to facilitate communication between the Board and the external auditor and to receive all reports of the external auditor directly from the external auditor;
4. to be satisfied with the external auditor's independence and objectivity; and
5. to strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and Banro's external auditor.

B. Composition

1. The Committee shall comprise at least 3 directors, none of whom shall be an officer or employee of Banro or any of its subsidiaries or any affiliate thereof. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, each member of the Committee shall have no direct or indirect material relationship with Banro or any affiliate thereof which could reasonably interfere with the exercise of the member's independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.
2. Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of Banro.
3. The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Committee Chair shall satisfy the independence, financial literacy and experience requirements (as described above).
4. The Committee shall have access to such officers and employees of Banro and to such information respecting Banro as it considers to be necessary or advisable in order to perform its duties and responsibilities.

C. Meetings

1. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.
2. A quorum for meetings of the Committee shall be a majority of its members.
3. Meetings of the Committee shall be scheduled at least quarterly and at such other times during each year as it deems appropriate. Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Committee Chair. The Chair of the Committee shall hold *in camera* sessions of the Committee, without management present, at every meeting.
4. The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet periodically with Banro's external auditor (in connection with the preparation of the annual consolidated financial statements and otherwise as the Committee may determine), part or all of each such meeting to be in the absence of management.

Responsibilities

As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of Banro and external audits of Banro's consolidated financial statements. In that regard, the Committee shall:

1. satisfy itself on behalf of the Board with respect to Banro's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of Banro (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;
2. review with management and the external auditor the annual consolidated financial statements of Banro, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and any earnings press releases, (collectively, "Annual Financial Disclosure") prior to their submission to the Board for approval. This process should include, but not be limited to:
 - (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;
 - (b) reviewing significant accruals, reserves or other estimates;
 - (c) reviewing accounting treatment of unusual or non-recurring transactions;
 - (d) reviewing adequacy of reclamation fund;
 - (e) reviewing disclosure requirements for commitments and contingencies;
 - (f) reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and
 - (g) reviewing unresolved differences between Banro and the external auditor.

Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosure;

3. review with management all interim consolidated financial statements of Banro and related financial reporting, including Management's Discussion and Analysis and any earnings press releases, (collectively "Quarterly Financial Disclosure") and, if thought fit, approve all Quarterly Financial Disclosure;
4. be satisfied that adequate procedures are in place for the review of Banro's public disclosure of financial information extracted or derived from Banro's financial statements, other than Annual Financial Disclosure or Quarterly

Financial Disclosure, and shall periodically assess the adequacy of those procedures;

5. review with management and recommend to the Board for approval, any financial statements of Banro which have not previously been approved by the Board and which are to be included in a prospectus of Banro;
6. review with management and recommend to the Board for approval, Banro's Annual Information Form;
7. with respect to the external auditor:
 - (a) receive all reports of the external auditor directly from the external auditor;
 - (b) discuss with the external auditor:
 - (i) critical accounting policies;
 - (ii) alternative treatments of financial information within GAAP discussed with management (including the ramifications thereof and the treatment preferred by the external auditor); and
 - (iii) other material, written communication between management and the external auditor;
 - (c) consider and make a recommendation to the Board as to the appointment or re-appointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;
 - (d) review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees and make a recommendation to the Board as to the compensation of the external auditor;
 - (e) when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;
 - (f) oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;
 - (g) review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with Banro and its affiliates in order to determine the external auditor's independence, including, without limitation:
 - (i) requesting, receiving and reviewing, on a periodic basis, written or oral information from the external auditor delineating all

- relationships that may reasonably be thought to bear on the independence of the external auditor with respect to Banro;
- (ii) discussing with the external auditor any disclosed relationships or services that the external auditor believes may affect the objectivity and independence of the external auditor; and
 - (iii) recommending that the Board take appropriate action in response to the external auditor's information to satisfy itself of the external auditor's independence;
- (h) as may be required by applicable securities laws, rules and guidelines, either:
- (i) pre-approve all non-audit services to be provided by the external auditor to Banro (and its subsidiaries, if any), or, in the case of *de minimus* non-audit services, approve such non-audit services prior to the completion of the audit; or
 - (ii) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services;
- (i) review and approve the hiring policies of Banro regarding partners, employees and former partners and employees of the present and former external auditor of Banro;
8. (a) establish procedures for:
- (i) the receipt, retention and treatment of complaints received by Banro regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of Banro of concerns regarding questionable accounting or auditing matters; and
- (b) review with the external auditor its assessment of the internal controls of Banro, its written reports containing recommendations for improvement, and Banro's response and follow-up to any identified weaknesses;
9. with respect to risk management, be satisfied that Banro has implemented appropriate systems of internal control over financial reporting (and review senior management's assessment thereof) to ensure compliance with any applicable legal and regulatory requirements;
10. review annually with management and the external auditor and report to the Board on insurable risks and insurance coverage; and
11. engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.