Khan Resources Inc.

Management Discussion and Analysis

September 30, 2013

KHAN RESOURCES INC.

RESULTS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2013

This Management Discussion and Analysis (“MD&A”) has been approved in accordance with a resolution of the Board of Directors dated January 9, 2014. It should be read in conjunction with the audited consolidated financial statements of the Company for the year ended September 30, 2013.

Highlights

International arbitration action against the Government of Mongolia - the hearing by the International Arbitration Tribunal on merits and quantum was held and completed between November 11 and November 15, 2013. Arguments were heard by the Tribunal from Khan and from the Government of Mongolia on the merits of the case and the damages incurred by Khan due to the illegal expropriation in 2009 of the mining and exploration licenses for the Dornod uranium project in northeastern Mongolia. The amount of damages sought by Khan currently exceeds $326 million.

Investments - During the year, the fair value of the Company’s investment in Macusani Yellowcake. Inc. (Macusani) common shares decreased by $1,009,000 net of an impairment reversal of $233,000 which was recorded in accumulated other comprehensive income (loss) (2012 – impairment loss of $1,953,000).

Equity issue - On September 24, 2013, the Company announced the closing of a non-brokered private placement financing resulting in the issuance of 7,237,703 common shares at a price of $0.17 per common share for gross proceeds of $1,230,410. The Company plans to use the proceeds of the offering to advance the international arbitration case against the Government of Mongolia and for general corporate purposes.

Corporate matters - On August 22, 2013 the Company decided to close its operations in Mongolia. Results of Mongolian operations were a loss of $219,000 (2012 – loss of $ 16,261,000) and the results are reported as discontinued operations on the face of the Company’s audited consolidated statement of comprehensive loss for the year ended September 30, 2013 with reclassified comparative results for the year ended September 30, 2012.

Atomredmetzoloto (“ARMZ”) litigation – On April 2, 2013 the Court of Appeal for Ontario dismissed Khan’s appeal to validate, substitute or dispense with service of Khan’s Statement of Claim against ARMZ, its Russian partner in Mongolia. ARMZ had avoided service of the Statement of Claim as the Russian Ministry of Justice had invoked Section 13 of the Hague Convention which allowed Russia to refuse to serve ARMZ as a matter of Russian sovereignty or security. Khan has decided not to appeal this decision to the Supreme Court of Canada.

The following table summarizes financial results of the Company for the fourth quarter and the years ended September 30, 2013 and 2012.

In thousands of dollars

	2013	2012	**Change %**
Net loss from continuing operations			
Three months ended September 30	**(1,844)**	(2,408)	23.4%
Twelve months ended September 30	**(5,060)**	(5,362)	5.6%
Net loss from discontinued operations			
Three months ended September 30	**(121)**	(135)	10.7%
Twelve months ended September 30	**(219)**	(16,261)	98.7%
Basic and diluted earnings per share ($)			
Three months ended September 30	**(0.03)**	(0.04)	24.4%
Twelve months ended September 30	**(0.08)**	(0.36)	78.3%
Cash flow			
Twelve months ended September 30	**(2,449)**	(1,247)	-96.4%
Cash and cash equivalents			
As at September 30	**2,231**	4,680	-52.3%

Overall Performance

International Arbitration

The international arbitration action, initiated in January 2011, against the Government of Mongolia, and its state-owned uranium company, MonAtom LLC, for the Government of Mongolia's failure to reissue the Company's mining and exploration licenses for the Dornod uranium project in northeastern Mongolia is nearing completion. The damages sought by Khan now exceed US$326 million. The merits and damages phase of the arbitration commenced in August 2012 following the ruling by the Tribunal hearing the action that they had jurisdiction over the action and had dismissed all of Mongolia's objections to the continuance of the suit.

Khan (the "Claimants" in this action) filed its initial submission on the merits and damages of the case in December, 2012. Included in the submission was documentation of an increase in Khan's claim for damages from US$200 million to US$326 million including interest to that point in time. The amount claimed now exceeds US$326 million as interest continues to accrue on any damages awarded. The Respondents filed their Statement of Defense and Counterclaim to the Company's submission in April, 2013. These Statements were followed by a Company rejoinder submitted on June 28, 2013, and a Respondent's rejoinder submitted on October 4, 2013. The formal hearing by the Tribunal on the merits and damages for the case was completed as scheduled from November 11 through November 15, 2013. At the completion of the hearing, the Tribunal asked for the submission of two post-hearing briefs before rendering their decision. The first post-hearing brief is scheduled for submission at the end of January, 2014 and the second on April 11, 2014. After receipt of the two briefs, it is expected that the Tribunal will then formulate and render their decision.

The Company continues to believe it has a very strong case against the Government of Mongolia for their illegal expropriation of the Dornod asset without appropriate compensation.

ARMZ

The Company filed a statement of claim in 2010 against ARMZ and its affiliate Priargunsky, with the Ontario Superior Court of Justice. The claim was for damages in the amount of $300 million arising from, among other things, their breach of fiduciary duties as one of Khan's joint venture partners in the Dornod project and as a shareholder of Khan's Mongolian subsidiary, Central Asian Uranium Company LLC ("CAUC").

ARMZ avoided service of the statement of claim through the Russian Ministry of Justice invoking Section 13 of the Hague Convention which allowed Russia to refuse to serve ARMZ as a matter of Russian sovereignty or security. Khan appealed the decision and this initial appeal was favourable. The Superior Court of Justice validated service of the statement of claim on ARMZ in October 2011. ARMZ, however, appealed that decision and on March 9, 2012, the Ontario Superior Court decided in favour of ARMZ's appeal. On

April 19, 2012 the Company filed a subsequent appeal of the March 9, 2012 order with the Court of Appeal of Ontario. In the appeal, Khan sought to, among other things, restore the prior order of the Superior Court of Justice that validated service of the Statement of Claim on ARMZ. The appeal was heard on September 11, 2012. On April 2, 2013 the Court of Appeal for Ontario dismissed Khan's appeal to validate, substitute or dispense with service of the Statement of Claim.

Khan decided not to lodge an appeal of this decision with the Supreme Court of Canada.

Closure of Mongolian subsidiaries

On August 22, 2013 the Company decided to close its operations in Mongolia. Plans are now in place to close the Ulan Bataar office, wind up the Company's 100% owned Mongolian subsidiary and to withdraw from its Mongolian joint venture subsidiary.

In conjunction with the plan, the Company recognized in the September 30, 2013, financial statements a provision of $38,000 for restructuring costs consisting of employee termination benefits along with estimated accounting and legal costs for closure. Results of Mongolian operations are reported as discontinued operation on the face of the Company's audited consolidated statement of comprehensive loss for the year ended September 30, 2013 with reclassified comparative results for the year ended September 30, 2012.

The decision to close and decommission the Dornod camp was previously made in June, 2012. The camp has now been demolished and removed. The remaining estimated provision for site reclamation and restoration at the balance sheet date is $22,000.

Selected Annual Information

In thousands of dollars

	Sep. 30 2013	**Sep. 30 2012**	**Sep. 30 2011**
Revenue	26	94	350
Net loss	(5,279)	(21,623)	(3,824)
Total assets	3,518	7,001	24,996
Total non-current liabilities	-	-	-
Basic and diluted earnings per share (in Canadian dollars)	(0.08)	(0.36)	(0.07)

During the year ended September 30, 2012, the Company recognized non-cash impairment losses of $16.1 million related to the Dornod Project and $1.9 million on its investment in shares of Macusani. This event resulted in a significant increase in net loss and a reduction in total assets in 2012.

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Results of Operations

Revenue

In thousands of dollars

	Notes	Three months 2013	Three months 2012	Twelve months 2013	Twelve months 2012
Revenue					
Other income		**-**	8	**-**	48
Finance income from continued operations		**3**	11	**25**	45
Finance income from discontinued operations		**-**	-	**1**	1
Total revenue		**3**	19	**26**	94

Other income in the fourth quarter and year-to-date of 2012 consisted of rental income from subletting corporate office space. This arrangement ended in August, 2012 when the sub-tenant took over the lease and became the primary occupant of the above mentioned office space. At the same time, the Company signed a sublease agreement with the primary occupant thereby reducing the Company's occupancy costs.

Finance income declined by $8,000 in the quarter and $20,000 year-to-date as a result of lower cash balances on hand compared to the prior year.

Legal Expenses

Legal expenses during the fourth quarter related to the international arbitration and ARMZ litigation proceedings were $426,000 (2012 - $203,000) and for the year, $2,739,000 (2012 - $1,878,000). The quarterly and year-to-date expenses in 2013 were higher than the prior year due to increased arbitration activity.

At September 30, 2013, a contingent liability amounting to $3,337,000 existed in respect of a completion fee arranged with legal counsel handling the international arbitration. The fee is based on the actual cost of the legal work completed and is conditional upon the recovery (in whole or significant part) by the Company of a settlement or award of the international arbitration case. As a present obligation does not exist due to the conditional nature of the fee, the amount is uncertain and cannot be measured reliably. Therefore management has not recognized a provision in the consolidated financial statements as at the date of their approval.

General Corporate Expenses

September 2013
In thousands of dollars

	Three months 2013	Three months 2012	Twelve months 2013	Twelve months 2012
Accounting and audit	**1**	-	**53**	108
Investor relations	**-**	-	**34**	39
Insurance	**19**	17	**70**	108
Salaries	**116**	117	**495**	581
Office and travel	**54**	58	**258**	340
Total general corporate expenses	**190**	192	**910**	1,176

Expenses have been reduced through staff reductions and reduced operating activity.

The Mongolian subsidiaries were not previously classified as discontinued operations. The comparative consolidated statement of comprehensive loss has been reclassified to show the discontinued operations separately from continuing operations.

Amortization

Annual amortization was reduced as assets became either fully amortized or impaired. No material assets are being added to plant and equipment at this time. All property, plant and equipment assets in Mongolia were retired at September 30, 2013.

Share-based compensation

On February 16, 2013, the Company granted 1,675,000 options to its directors and employees with an exercise price of $0.20. The price for Khan common shares was $0.16 on that day. Compared to the prior year, the share-based compensation expense was lower by $86,000. A significant portion of options granted in prior years with higher values was fully vested by September 30, 2012; thus a lower expense for the vesting of options was recorded in 2013.

Impairment loss on available-for-sale investments

The fair value of the Macusani shares in 2013 decreased by $1,009,000 net of an impairment reversal of $233,000 (2012 – impairment loss of $1,953,000). An impairment loss of $1,242,000 is recognized in net loss for the year and an impairment reversal of $233,000 is recognized in other comprehensive income (loss). Management made this determination based on objective evidence that both a significant and prolonged decline in the fair value of the investment below its cost had occurred.

Impairment losses on tangible assets

As a result of the decision to close the Mongolian subsidiaries, the Company retired all the Mongolian tangible assets that had been fully impaired in the prior year.

The Company, in making its regular assessment of the Dornod Project for impairment, concluded in 2012 that it was highly unlikely that the Mongolian government would return the exploration and mining licenses. For that reason, during the year ended September 30, 2012, the Company recognized non-cash impairment losses of $16,083,000 that reduced all of the Company's tangible assets to their estimated recoverable values of $5,000 at September 30, 2012. No impairment loss was recognized in 2013.

Restoration expense

At June 30, 2012, the Company estimated a closure and restoration provision for the Dornod site in the amount of $100,000. During 2012, charges against the restoration provision were $22,000. Based on the condition of the campsite as at September 30, 2012, regulatory requirements and constructive obligations, the Company reassessed its initial estimate and reduced the remaining restoration provision to $50,000, recognizing the change in estimate of $28,000 in the income statement for the year ended September 30, 2012 (including exchange differences of $8,000). During 2013, charges against the restoration provision were $28,000 (including exchange differences of $2,000).

The restoration provision of $22,000 represents management's best estimate of the removal of residual materials and remediation of disturbed areas. The extent of restoration work is uncertain, as an inspection report by Mongolian authorities had not yet been finalized. Restoration is limited in management's view to the development at the Dornod site undertaken by Khan. Under the original Minerals Development Agreement signed in 1995 to develop the Dornod deposit, neither the joint venture company to be formed to develop the deposit (Central Asian Uranium Company), nor WM Mining Co. (a predecessor company to Khan's interest in CAUC), were to be responsible for any environmental liabilities arising from the previous Russian operations at the site.

On October 17, 2013 and December 4, 2013, the Company sold the remaining assets at or associated with the Dornod site that had been closed since June 2012. These sales were completed for gross proceeds of $53.

Restructuring expense

During 2013, the Company decided to terminate its operations and close its offices in Mongolia. Following the decision, the Company recognized a provision of $38,000 in restructuring costs. Estimated restructuring costs mainly include employee termination benefits that are based on a plan agreed between management and the employees involved. The restructuring is expected to be completed by March 2014.

Discontinued operations

Total expenses in Mongolia during the fourth quarter of 2013 were $14,000 less than the comparable quarter in the prior year and $16,042,000 less year-to-date. The quarterly decrease is attributable to reduced operating activity. During the year ended September 30, 2012, the Company recorded non-cash impairment losses of $16.1 million related to the Dornod Project which resulted in significantly higher total expenses recognized in Mongolia in 2012.

Income Tax

The Government of Mongolia withholds income tax related to intercompany interest expense.

At September 30, 2013, the Company had Canadian non-capital losses of approximately $27,826,000 (2012 - $25,784,000) available for deduction against future taxable income. If unutilized, non-capital losses will expire from 2014 to 2033 whereas capital losses can be carried forward indefinitely. Mongolian tax losses of approximately $190,000 (2012 - $372,000) are available for deduction against future taxable income and these losses, if unutilized, will expire from 2014 to 2015; and tax losses in the Netherlands of approximately $347,000 (2012 - $290,000) are available for deduction against future taxable income and these losses, if unutilized, will expire from 2018 to 2022. None of the tax losses have been tax-benefited.

Summary of Quarterly Results

In thousands of dollars

	30-Sep 2013	30-Jun 2013	31-Mar 2013	31-Dec 2012	30-Sep 2012	30-Jun 2012	31-Mar 2012	31-Dec 2011	30-Sep 2011
Revenue	3	4	7	11	19	32	19	24	278
Expenses	(1,968)	(1,151)	(971)	(1,214)	(2,563)	(16,920)	(1,278)	(956)	(2,216)
Net loss	(1,965)	(1,147)	(964)	(1,203)	(2,544)	(16,888)	(1,259)	(932)	(1,938)
Basic and diluted earnings per share ($)	(0.03)	(0.02)	(0.01)	(0.02)	(0.04)	(0.26)	(0.02)	(0.02)	(0.02)

Cash Flows

Net operating cash flow was negative at $3,617,000, an increase of $82,000 from the prior year. This was primarily attributable to on-going legal costs associated with the international arbitration proceedings.

Investing cash flow of negative $24,000 (2012-negative $7,000) was primarily attributable to the restoration costs of the Dornod property offset by gain on disposal of assets.

Financing cash flow was $1,209,000 in 2013 (2012-$2,312,000). On September 20, 2013 the Company closed a private placement share issuance financing for proceeds of $1,209,000. On April 19, 2012 the Company closed a private placement share issuance financing for proceeds of $2,312,000.

Liquidity and Capital Resources

With cash of $2,231,000 on hand as of September 30, 2013, the Company believes that it has sufficient liquidity to cover its obligations, including the cost of the international arbitration and other litigation over the next year.

The Company has positive working capital and does not have any contractual obligations, including those in the nature of long-term debt, capital lease obligations, operating leases, purchase obligations or other long-term obligations.

Additionally the Company holds an investment in the common shares of Macusani with a fair value of $1,164,000 as at September 30, 2013. This investment is available-for-sale and has been classified as a current asset on the balance sheet because the Company has an intention to sell within the next year.

In respect of the Company's International Arbitration action, management believes in the merits of its case and expects a significant award to be rendered to the Company. In the event that no international arbitration award is rendered to the Company and costs are awarded to the counterparty, this material uncertainty may cast significant doubt as to the Company's ability to continue as a going concern given its financial position as at September 30, 2013. See also Critical Accounting Estimates set out below.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

An officer of the Company is a partner in a firm that provides legal services to the Company. The Company paid $42,000 for these legal services for the three months ended September 30, 2013 (2012 - $3,000) and $67,000 for the twelve months ended September 30, 2012 (2012 - $125,000). In 2013 these services included $21,000 related to share issuance costs. In 2012 this legal firm provided additional services by arranging the listing of the Company's shares on the Canadian National Stock Exchange ("CNSX").

Certain Company insiders participated in the private placement equity issue, including directors and/or officers of the Company and certain shareholders that each beneficially own or control more than 10% of the Company's shares. In aggregate, the insiders purchased 3,892,999 shares for a purchase price of $662,000.

Financial Instruments and Financial Risks

The Company's primary financial instruments consist of cash and cash equivalents and its current financial assets, including its investments and intercompany receivables with its Mongolian subsidiaries.

Bank accounts are held with major banks in Canada and Mongolia. As a Canadian bank holds the majority of the Company's cash and the same Canadian bank also holds the guaranteed investment certificate, there is a concentration of credit risk with one bank in Canada. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Interest rate risk is minimal at this time.

The Company is exposed to equity price risk through its holdings of marketable equity securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company's investments are all in mining companies, the value will also fluctuate based on commodity prices.

The Company is also exposed to foreign exchange risk through its investment in its Mongolian subsidiaries and their on-going financing. The Company finances these subsidiaries through inter-company loans and receivables. All these transactions are denominated in the Mongolian tugrik ("MNT"). The recovery amount of these investments and financings will partially depend on the strengthening or weakening of the MNT against the Canadian dollar. This exposure is not hedged.

Proposed Transactions

The Company does not have any proposed asset or business acquisitions or dispositions that are awaiting the approval of the Board of Directors at the date of this MD&A.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

Estimates

i. Impairment of assets

At each reporting date, the Company assesses whether there is objective evidence that an asset is impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

With respect to property, plant and equipment, the Company has recognized a material impairment of the Dornod properties and related assets during the year ended September 30, 2012. (see Judgments i below).

ii. Restoration provision

The provision at the balance sheet date represents management's best estimate of the cost of removal of residual materials and remediation of disturbed areas. The cost estimates are updated at regular intervals to reflect known developments. Reclamation and closure costs are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value.

iii. Restructuring provision

The provision at the balance sheet date represents management's best estimate of the cost of winding up the Mongolian operation. The provision mainly comprises employee termination benefits that are based on a plan agreed between management and the employees involved and are measured at fair value.

iv. Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the balance sheet. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

v. Fair value of financial assets and liabilities

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Judgments

i. ***Going concern assumption***

The going concern assumption is a fundamental principle in the preparation of financial statements. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Accordingly, unless the going concern assumption is inappropriate in the circumstances of the entity, assets and liabilities are recorded on the basis that the entity will be able to realize its assets, discharge its liabilities, and obtain refinancing (if necessary) in the normal course of business. The assessment of an entity's ability to continue as a going concern is the responsibility of the entity's management.

The consolidated financial statements have been prepared on a going concern basis however, the Company has disclosed in the consolidated financial statements and in this MD&A, the existence of a material uncertainty with respect to the going concern assumption. While management of the Company believes in the merits of its case and expects a significant award will be rendered to the Company, in the event that no international arbitration award is rendered to the Company and costs are awarded to the counterparty, this material uncertainty may cast significant doubt as to the Company's ability to continue as a going concern given its financial position as at September 30, 2013.

ii. Recoverability of mineral rights and properties

The recoverability of the amounts shown for mineral rights and properties is dependent upon the tenure of mineral licenses, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production and/or the proceeds from the disposition thereof. To date, the Company has not earned any revenues from its properties.

On July 16, 2009, the Mongolian Parliament passed a new Nuclear Energy Law (NEL) that classifies all radioactive mineral deposits, regardless of size, as strategically important mineral deposits and regulates the nuclear energy industry in Mongolia, including the exploration, exploitation, development, mining and sale of uranium. The new law became effective on August 15, 2009. In connection with the passing of the NEL, the Mongolian Parliament also passed certain procedures relating to the re-registration of existing exploration and mining licenses held prior to the NEL becoming effective. Existing license holders were required to submit an application to the newly created Nuclear Energy Agency (NEA) and renew and re-register their existing licenses by November 15, 2009. Khan submitted the applications for the renewal and re-registration of its mining license and exploration license on November 10, 2009.

To date, the mining and exploration licenses have not been reissued to Khan and the Company has initiated an International Arbitration action against the Government of Mongolia for its failure to do so.

On June 30, 2012 the Company made a determination based on the judgment that it was now highly unlikely that the mining and exploration licenses would be renewed and returned, and hence the Company resolved to close the Dornod mine camp. For that reason, the Company has recognized significant non-cash impairment losses of $16.1 million that have reduced all of the Company's tangible assets to their estimated recoverable value of $7,000 (at the time of the impairment) in light of the fact that the Company is highly unlikely to be able to continue the development program necessary to enable it to realize the carrying value of those assets.

ii. Functional currency

The determination of the Company's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Company analyzed both the primary and secondary factors, including the currency of the Company's revenues, operating costs in both Canada and Mongolia, and sources of debt and equity financing.

Risks and Uncertainties

Khan's success depends upon a number of factors, many of which are beyond its control. Typical risk factors include, among others, litigation risk, political risk, financing risk, title risks, exploration and development risks, joint venture risks, commodity price, and currency exchange rate risks, operating and environmental hazards encountered in the mining business and changing laws and public policies.

Outstanding Common Shares

The number of outstanding common shares as at the date of this MD&A is 75,383,148.

Additional Information

Additional information is available by accessing SEDAR at www.sedar.com or the Company's website at www.khanresources.com.

Forward-Looking Statements

Certain statements included or incorporated by reference in this MD&A, including information as to the future financial or operating performance of the Company, its subsidiaries and its projects, constitute forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "schedule" and similar expressions identify forward-looking statements. This MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs for the twelve-month period ending September 30, 2014 and statements regarding the Company's critical accounting estimates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Such factors include, among others, risks relating to additional funding requirements, political and foreign risk, uninsurable risks, competition, environmental regulation and liability, government regulation, currency fluctuations, recent losses and write-downs and dependence on key employees. See "Risk Factors" section of this MD&A. Due to risks and uncertainties, including the risks and uncertainties identified above, actual events may differ materially from current expectations. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or results or otherwise.