# Khan Resources Inc.

Management Discussion and Analysis

June 30, 2015

# KHAN RESOURCES INC.

# **RESULTS FOR THE NINE MONTHS ENDED JUNE 30, 2015**

This Management Discussion and Analysis ("MD&A") has been approved in accordance with a resolution of the Board of Directors dated August 20, 2015. It should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company as at June 30, 2015.

# **Significant Events and Current Status**

International arbitration award – On March 2, 2015 the international arbitration tribunal rendered an award to Khan as compensation for the Government of Mongolia's illegal actions in relation to the cancellation of Khan's uranium licenses in 2009. As of the date of the approval of this MD&A, August 20, 2015, the award aggregates to approximately \$105 million (US) with interest currently accruing at a rate of 2.78% or \$7,256 per day. In Canadian dollars at August 20, the value of the total award was \$137 million.

On June 12, 2015 the Company filed a petition for confirmation of its international arbitration award in the US District Court in the District of Columbia. When confirmed, the award will be executable in the US as a court judgement and the Company can begin a process of seizure of non-immune Mongolian sovereign assets. The Government of Mongolia has until Sept 4, 2015 to respond to the petition.

On July 9, 2015, the Government of Mongolia filed a notice in the French Court of Appeal in Paris for annulment of the international arbitration Award. The Government of Mongolia has given no indication on what basis it seeks to annul the Award and has until Dec. 8, 2015 to file their first submission. Khan believes that this attempt to annul the Award will not succeed and is merely an attempt to delay for reasons of its domestic political agenda, the inevitable payment of the Award that is now due and payable.

Cash – The Company closed a non-brokered private placement announced on May 15, 2015. The Company issued 5 million common shares at a price of \$0.40 per share and received aggregate gross proceeds of \$2 million. The proceeds of the private placement will be used to advance proceedings to enforce the collection of the arbitration award.

During the nine months ended June 30, 2015 the Company has also received proceeds of \$480,000 from the exercise of share options by its Directors, Officers and employees.

Cash balances are also being supplemented by the sale of investments.

Investments – The fair value of Plateau Uranium Inc. ("Plateau") shares held at June 30, 2015 was \$416,840. During the nine months ended June 30, 2015 the Company sold 750,000 Plateau shares for proceeds of \$208,500. The Company's remaining holdings represent 2.3% of the 40 million Plateau outstanding common shares. Plateau was previously called Macusani Yellowcake Inc. ("Macusani"). The name change along with an 8 for 1 share consolidation occurred on April 30, 2015.

The following table summarizes financial results of the Company for the nine months ended June 30, 2015 and 2014.

#### In thousands of dollars

			Change
	2015	2014	%
Net loss from continuing operations			
Three months ended June 30	(647)	(389)	-66.3%
Nine months ended June 30	(1,721)	(1,851)	7.0%
Net income (loss) from discontinued operations			
Three months ended June 30	5	(27)	118.5%
Nine months ended June 30	(3)	(12)	75.0%
Basic and diluted earnings per share (\$)			
Three months ended June 30	(0.01)	(0.01)	0.0%
Nine months ended June 30	(0.03)	(0.03)	0.0%
Cash flow			
Nine months ended June 30	1,365	(1,880)	172.6%
Cash and cash equivalents			
As at June 30	1,717	351	389.2%
Working Capital			
As at June 30	2,023	1,237	63.5%

### **Overall Performance**

#### International Arbitration Award

The international arbitration action, initiated in January 2011 against the Government of Mongolia and its state-owned uranium company, MonAtom LLC, was for the Government of Mongolia's illegal cancellation in 2009 of the Company's mining and exploration licenses for the Dornod uranium project in northeastern Mongolia.

On March 2, 2015 the international arbitration tribunal rendered an award to Khan as compensation for the Government of Mongolia's actions. The award consisted of a base amount of \$80 million (US) plus interest at LIBOR +2% (compounded annually) from July 1, 2009 to the time of payment. In addition, the tribunal awarded costs of \$9.1 million in favour of Khan.

At June 30, the award aggregated to approximately \$104 million (US). Interest was accruing on the award at a rate of 2.55% or \$6,500 per day. In Canadian dollars at the closing exchange rate on June 30, the value of the total award was \$130 million (\$1.56 per share – undiluted, \$1.44 per share - diluted). At the beginning of July the interest rate increased to 2.78% and interest now accrues at a rate of \$7,256 per day.

Consistent with the Company's preferred strategy of reaching an amicable payment arrangement with the Government of Mongolia, meetings with representatives of the Government of Mongolia took place in Paris on March 24 and 25, 2015 and in Ulaanbaatar on April 21 and 22, 2015. During these meetings, little progress was made on terms for an amicable payment arrangement and negotiations ended at the end of April.

On June 12, 2015 the Company filed a petition for confirmation of its international arbitration award in the US District Court in the District of Columbia. The petition for confirmation is brought under the United Nations Convention for the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention") and under the United States Federal Arbitration Act. Mongolia is a signatory to the New York Convention. When confirmed, the award will be executable in the US as a court judgement and the Company can begin a process of seizure of non-immune Mongolian sovereign assets. The Company is also seeking reimbursement of its costs in this action. Mongolia has until September 8, 2015 to file a response to the petition.

On June 26<sup>th</sup>, 2015, in response to a Bloomberg News question during an exclusive interview in New York, the Prime Minister of Mongolia Mr. Saikanbileg Chimed, stated in respect of the award "there is a

requirement to pay and the Government will carry out its obligation. We're not ignoring. We're respecting. We will comply".

On July, the 9th, the Government of Mongolia filed a notice for annulment of the Award in the French Courts. The Government of Mongolia has given no indications on what basis it seeks to annul the Award. The grounds for annulment in France are limited to the following five items:

- 1. Where the arbitral tribunal wrongly upheld or declined jurisdiction; or
- 2. Where the arbitral tribunal was not properly constituted; or
- 3. Where the arbitral tribunal ruled without complying with the mandate conferred upon it; or
- 4. Where there was a violation of due process; or
- 5. Where recognition and enforcement of the award is contrary to international public policy.

The arbitration took over four years to complete and the presiding tribunal was composed of very senior and well respected arbitrators. Khan continues to be advised by top professional advisors in the areas of international arbitration and enforcement and believes that this legal challenge in the French court will not succeed and is merely an attempt to delay for reasons of its domestic political agenda, the payment of the Award. Mongolia has until December 8, 2015 to file its reasons for seeking annulment.

The Company is currently investigating other jurisdictions in which to have the arbitration award recognized and will vigorously proceed in the collection of the award until it is fully satisfied.

### **Equity Raise**

On May 13, 2015, the Company announced that it intended to raise approximately \$2,000,000 in a non-brokered private placement by issuing 5,000,000 common shares at a price of \$0.40 per share. The private placement was completed on June 2, 2015. The proceeds of the private placement are being used to advance proceedings to enforce the collection of the arbitration award and for general corporate purposes.

# Closure of Mongolian subsidiaries

The Mongolian subsidiaries were closed on September 30, 2013 and all Mongolian tangible assets were retired. The office in Ulaanbaatar was closed on June 30, 2014. The Company no longer has any employees in Mongolia.

The Company has determined that it does not have the power to govern the financial and operating policies of the Mongolian subsidiaries due to circumstances in Mongolia that are impeding the legal dissolution of these entities. Accordingly the Company derecognized related assets, liabilities and non-controlling interests at December 31, 2014. The Company did not receive any consideration in the deconsolidation of these two subsidiaries.

The assets and liabilities of the Mongolian subsidiaries are not significant to the Company's consolidated financial statements.

In conjunction with the closure 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. During the year ended September 30, 2014, \$29,000 was incurred and charged against the provision. During the nine months ended June 30, 2015 an additional \$4,000 was charged against the provision for the cost associated with tax and legal advice. During the three months ended June 30, 2015, the remaining balance in the restructuring provision of \$5,000 was reversed as it was concluded that the provision would not be used due to the impediments to dissolution existing in Mongolia. The resulting gain from the provision over-estimate was included in the results of Mongolian operations which are reported as discontinued operations on the face of the Company's consolidated statement of loss for the nine months ended June 30, 2015, with comparative results for the nine months ended June 30, 2014.

# **Selected Quarterly Information**

### In thousands of dollars

	June 30	June 30	June 30
	2015	2014	2013
Revenue	1	1	4
Loss from operations	(642)	(416)	(1,147)
Gain (loss) on sale of investments	-	-	-
Netloss	(642)	(416)	(1,147)
Total assets	2,274	1,373	2,898
Total non-current liabilities	-	-	-
Basic and diluted earnings per share (in			
Canadian dollars)	(0.01)	(0.01)	(0.02)

The Company incurred significant legal costs associated with its international arbitration case in 2013. During the three months ended June 30, 2014, legal costs related to international arbitration were minimal. In 2015, the Company commenced an initiative for enforcement and collection of the international arbitration award. The higher net loss in the third quarter of 2015 was a result of the legal costs associated with this initiative. The increase in total assets during the third quarter of 2015 is due to an increase in cash balances resulting from an equity private placement and share options exercised offset by a decrease in the fair value of the investment in Plateau.

# **Results of Operations**

### Revenue

In thousands of dollars

	Three	months	Nine months		
Note:	2015	2014	2015	2014	
Revenue					
Finance income from continued operations	1	1	2	7	
Finance income from discontinued operations	-	-	-	-	
Total revenue	1	1	2	7	

Finance income declined by \$5,000 year-to-date because in 2015 cash balances were lower through most part of the period. The equity private placement was closed near the end of the third quarter of 2015.

### Legal Expenses

During the third quarter of 2015, legal expenses, primarily related to the collection and enforcement of the international arbitration award, were \$450,000. Legal expenses related to the international arbitration case during the third quarter of fiscal 2014 were \$91,000. Year-to-date, legal expenses were \$754,000 in 2015 and \$988,000 in 2014.

At June 30, 2015, a contingent liability amounting to \$4,045,480 (September 30, 2014 - \$3,627,652) 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. The fee is measured in United States dollars but reported in Canadian dollars. Any current fluctuations in value are resulting from fluctuations of the value of the Canadian dollar against the United States dollar. 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

In thousands of dollars

	Three months		Nine months		
	2015	2014	2015	2014	
Accounting and audit	8	16	17	45	
Investor relations	8	1	28	21	
Insurance	13	16	39	48	
Salaries	115	118	364	400	
Office and travel	83	56	210	207	
Total general corporate expenses	227	207	658	721	

Majority of expenses have been reduced through reduced operating activity. During the three months ended June 30, 2015, travel expenses were higher due to trips to Paris and Ulaanbaatar to meet representative of the Government of Mongolia with the attempt to reach an amicable settlement on the award of the international arbitration.

# Amortization and impairment loss

There was no amortization expense and impairment loss for the third quarters of 2015 and 2014. There was also no amortization expense year-to-date in 2015 (2014 –\$1,000) because all the Company's tangible assets were fully amortized or impaired before October 1, 2014.

# Share-based compensation

There was no share-based compensation expense for the third quarter of 2015 and 2014. Options granted on March 19, 2015 and March 28, 2014 vested immediately and, therefore, were expensed in the second quarters. Share-based compensation was \$173,000 higher year-to-date than in the comparable period of the prior year due to the higher fair value of share options granted in the current year. The major factor that caused the higher value of the share options granted on March 19, 2015, as measured by the Black-Scholes pricing model, was the share option exercise price of \$0.57 (March 28, 2014 - \$0.335).

### Available-for-sale investments (Plateau)

Investments consist of available-for-sale financial assets of 1,055,291 common shares of Plateau with a fair value on June 30, 2015 of \$464,000 (Sep. 30, 2014 - \$939,000). Plateau was previously Macusani. On April 30, 2015 Macusani announced that Macusani has changed its name to Plateau Uranium Inc. Macusani also announced that all outstanding common shares have been consolidated on the basis of one new post-consolidated share for every 8 pre-consolidated shares. The decrease in value of the investment in Plateau of \$522,000 from September 30, 2014 resulted from a decline in price of Plateau shares and from the sale of 6 million shares (pre-consolidation) for gross proceeds of \$208,500. In addition, a loss of \$61,500 was realized on the sale of the 6 million shares.

During the comparable period of 2014, the value of Macusani investment decreased by \$275,000 from the value at September 30, 2013. The decrease was due to a decline in the price of Macusani common shares from \$0.075 per share at September 30, 2013 to \$0.06 per share at June 30, 2014 and by sale of 700,000 shares for gross proceeds of \$92,000 (on a pre-share consolidation share price basis).

### Discontinued operations

Discontinued operations comprise the Mongolian subsidiaries that were closed on September 30, 2013. The loss from discontinued operations for nine months ended June 30, 2015 was \$3,000 (2014 –\$12,000). Certain transactions which incurred in 2014 did not repeat in 2015. During the nine months ended June 30,

2014, the Company sold the remaining Mongolian assets for a gain of \$47,000 and reversed the overestimated restoration provision for an additional gain of \$22,000.

During the three months ended June, 2015, other operating expenses were \$27,000 less than the comparative period as salaried employees left the business. Also, the unused restructuring provision that was initially established for legal costs associated with the legal dissolution of the Mongolian subsidiaries, was reversed and a gain of \$5,000 recognized. Future costs related to these discontinued operations are expected to be minimal if any.

### Income Tax

The current income tax provision is nil (2014 - nil) for the three months and nil (2014 - \$2,000) for the nine months ended March 31, 2015. The provision consists of the Government of Mongolia's withholding tax on intercompany interest expense. On December 31, 2013, the related intercompany loan was converted to equity as part of the wind up process. Accordingly, no interest expense or withholding tax was accrued or paid after December 31, 2013.

The Company also recognized a deferred tax expense of \$6,000 (2014 - \$89,000) for the three months and of \$4,000 (2014 - \$31,000) for the nine months ended June 30, 2015 on the statement of loss for the purpose of offsetting the deferred tax benefit in the same amount recognized in the statement of comprehensive loss. The deferred tax expense is recognized in the statement of loss because it originated in operations. The net result of these two amounts is zero.

# **Summary of Quarterly Results**

#### In thousands of dollars

	30-Jun 2015	31-Mar 2015	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014	Dec 31 2013	Sep. 30 2013	Jun 30 2013
Revenue	1	-	1	-	1	2	4	3	4
Expenses	(643)	(1,275)	(455)	(177)	(417)	(797)	(1,060)	(1,968)	(1,151)
Net loss	(642)	(1,275)	(454)	(177)	(416)	(795)	(1,056)	(1,965)	(1,147)
Basic and diluted earnings per share (\$)	(0.01)	(0.02)	(0.01)	0.00	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)

# **Financial and Capital Management**

# Outstanding share data

#### Common shares outstanding

	Number
	of shares
Outstanding, October 1, 2014	76,416,482
Shares issued for the private placement	5,000,000
Shares issued under share option plan	1,875,000
Outstanding, June 30, 2015	83,291,482

### Share options outstanding

	Number	Weighted average
	of shares	exercise price (\$)
Outstanding, October 1, 2014	6,925,000	0.31
Granted	1,775,000	0.57
Exercised	(1,875,000)	0.26
Forfeited	-	-
Outstanding, June 30, 2015 (a)	6,825,000	0.40

(a) All options were vested and exercisable at June 30, 2015

### Common shares outstanding - diluted

	Number
	of shares
Outstanding, June 30, 2015	90,116,482

Subsequent to June 30, 845,000 share options were exercised. As a result, at August 20, 84,136,482 common shares and 5,980,000 share options were outstanding. Diluted common shares outstanding were 90,116,482.

# Cash Flows

For the nine months ended June 30, 2015 operating cash outflow was \$1,344,000, an improvement of \$763,000 from the prior year. This can be attributed primarily to \$234,000 less legal expenses and \$63,000 less general corporate expenses than in the prior year, and reduced accounts payable and accrued liabilities balances. During the nine months ended June 30, 2015, the sale of Plateau common shares generated investment cash inflow of \$209,000 (2014 - \$92,000). In 2015, there was a cash outflow of \$5,000 due to the deconsolidation of a Mongolian subsidiary. Additional investing cash inflow in the prior year of \$54,000 has resulted from the sale of assets at the Dornod site and at the corporate office.

During the nine months ended June 30, 2015, the Company closed a private placement of 5 million common shares for net proceeds of \$1,989,000. There was not a comparable amount for the nine months ended June 30, 2014. In addition, the exercise of stock options provided cash of \$480,000 (2014 - \$91,000).

### Financial Instruments and Financial Risks

The Company's primary financial instruments consist of cash and its current and non-current financial assets, including its investment in Plateau Uranium Inc. The Company no longer has a significant financial risk associated with its Mongolian subsidiaries due to their closure on September 30, 2013.

Bank accounts are held with major banks in Canada and the Netherlands through one of the Company's subsidiary holding companies. 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 in uranium exploration companies, the value will also fluctuate based on commodity prices and exploration success.

# Liquidity

With cash on hand of \$1,717,000 and an available-for-sale investment in Plateau with a fair market value of \$417,000 as at June 30, 2015, the Company believes that it has sufficient liquidity to cover its obligations. During the third quarter, the Company raised approximately \$2 million in a non-brokered private placement by issuing 5 million common shares of the Company at a price of \$0.40 per common share. The proceeds of the offering will be used to advance proceedings to enforce the collection of the arbitration award and for general corporate purposes. Cash balances are also being supplemented by the exercise of outstanding options and by the sale of investments.

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.

In respect of the Company's international arbitration award, management believes that it is probable but not certain that the Government of Mongolia will honour its international obligations. This uncertainty should be considered material and may cast significant doubt as to the Company's ability to continue as a going concern given its financial position as at June 30, 2015. 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 an aggregate of \$20,000 for the three months ended June 30, 2015 (2014 - \$16,000) and \$38,000 for the nine months ended June 30, 2015 (2014 - \$32,000). At June 30, 2015, the balance outstanding was nil (2014 - nil).

# **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, an estimate of the recoverable amount is made in accordance with IFRS standards. IFRS standards require a reversal of an impairment loss where there has been a change in estimates used to determine the recoverable amount. These assessments require the use of estimates and assumptions to project the future cash inflows related to an individual asset or a Cash Generating Unit.

### 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. At June 30, 2015, management believes that all obligations to remove residual materials and remediate disturbed areas at the Dornod property have been fulfilled.

### iii. Restructuring provision

The provision at the balance sheet date represents management's best estimate of the cost of winding up the Mongolian operations. The provision mainly comprises an estimate for costs for the ultimate wind-up of a Mongolian subsidiary and is measured at fair value. At June 30, 2015, management believes that there will be no future cost associated with winding up the Mongolian operations.

### 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 Company's current financial assets and financial liabilities are derived from active markets so there is no need to use valuation techniques.

### **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, the existence of a material uncertainty with respect to the going concern assumption. While management of the Company believes it will collect its international arbitration award from the Government of Mongolia, in the

event that the award is not collected, 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 June 30, 2015.

### **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.

### **Additional Information**

Additional information is available by accessing SEDAR at <a href="www.sedar.com">www.sedar.com</a> or the Company's website at <a href="www.khanresources.com">www.khanresources.com</a>.

# **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 forwardlooking 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 June 30, 2016 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 and Unsertainties" 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.