BERKLEY RENEWABLES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended December 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Berkley Renewables Inc. (**"Berkley"** or the **"Company"**) is a junior oil and gas exploration, production and development company based in Vancouver, BC. Additional information relating to the Company, including its audited annual financial statements, is available on the SEDAR website at www.sedar.com. Berkley is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. Berkley's common shares are listed for trading on the Canadian National Stock Exchange ("CNSX") under the symbol "**BKS**", on the US OTC under the symbol "**BRKDF**" and on the Frankfurt Stock Exchange under the symbol "**W80**" and "**WKN 871666**".

The following Management's Discussion and Analysis ("**MD&A**") is dated April 29, 2014. The audited consolidated financial statements with respect to the year ended December 31, 2013 (the "**Reporting Period**") as compared to the year ended December 31, 2012 (the **"Comparable Prior Period**") and this MD&A have been prepared by management and approved by the Company's Audit Committee and Board of Directors. This MD&A should be read in conjunction with the audited condensed consolidated financial statements of the Company and related notes for the Reporting Period. All financial information is expressed in Canadian dollars, unless otherwise stated.

Forward-Looking Information

Certain statements in this MD&A and the documents incorporated by reference contain forward-looking information, which includes forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits the Company will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company; investments objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for products; the Company's plans for, and results of, exploration and development activities; the Company's treatment under governmental regulatory and royalty regimes and tax laws; competitive advantages; business prospects and opportunities; costs and timing of developmental new projects; management's assessment of future plans and operations; and requirements for additional capital.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect management's current judgment regarding the direction of the business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this MD&A. These assumptions, which includes management's current expectations, estimates and assumptions about certain projects and the markets in which the Company operates, the global economic environment, interest rates, the successful and timely implementation of capital projects; the Company's ability to generate sufficient cash flow from operations to meet current and future obligations and other risks and uncertainties described from time to time in the filings made with securities regulatory authorities; the impact of increasing competition; the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the project in which the Company has interests to operate in a safe, efficient and effective manner; future commodity prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates may prove to be incorrect. A number of risks and uncertainties would cause the Company's actual results to differ materially from those expressed or implied by the forward-looking information and statements, including, but not limited to: the failure of the Company to execute business plans; general economic conditions affecting the Company; risks arising from operations generally; competition; accuracy of cost estimates; fluctuations in commodities prices; fluctuations in product supply and demand; risks associated with technology and its application to the business; changes in the applicable regulatory framework, including changes in regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws and regulations, or changes to the associated with compliance; the loss of key management employees; the Company's abilities to control operating costs, general administrative and other expenses; other factors beyond the Company's control; insufficient investor interest in the Company's securities which may impact its ability to raise additional financing as required.

These forward-looking statements are based on the estimates and opinions of management at the time they are made. Although management believes that the expectations reflected in these forward-looking statements are reasonable, future results, levels of activity, performance or achievements cannot be guaranteed. Readers of this MD&A are cautioned not to rely on these forward-looking statements. Except as required by applicable securities law, the Company does not intend to update any of the forward-looking statements in this MD&A to conform these statements to actual results.

Overview

Berkley is a publicly-traded, Vancouver-based, oil and gas company engaged in the acquisition, development and production of petroleum and natural gas interests and the operations management of photovoltaic power generation projects. The Company has interests in producing natural gas wells in the Province of Alberta and manages clean energy projects.

The Company operates two divisions:

Oil and Gas Division ("OG")

Operating under the name Berkley Renewables Inc., the OG division is involved in the development and production of oil and natural gas from petroleum and natural gas interests in Alberta, Canada.

Solar Management Division ("SM")

Operating under the names Solar Flow-Through 2012-I Management Ltd. and Solar Flow-Through 2013-I Management Ltd., the SM division provides consulting services relating to the financing, strategy and operations management to companies in the renewable energy industry, specifically photovoltaic power generation.

Strategy

Berkley's main focus is the exploration and development of its existing properties and diversification into renewable sources of energy. In addition to providing management consulting services for photovoltaic power generation projects, the Company is seeking opportunities to acquire and operate photovoltaic power generation projects within Canada.

Selected Financial Information

	Year-end 12/31/13	**Year-end 12/31/12**	**Year-end 12/31/11**
Revenue (excludes net oil and gas revenue)	750,000	-	-
Net oil and gas revenue	42,043	36,259	56,810
General and administrative expenses	644,947	899,977	1,102,559
Share-based payment expense	Nil	Nil	Nil
Net income (loss) per share	(0.05)	(0.10)	(0.24)
Working capital (capital)	320,669	383,730	641,441
Petroleum and natural gas interests	136,331	135,569	147,495
Long term liabilities	139,596	88,162	85,623
Share Capital			
- Dollar amount	15,356,712	15,279,367	14,848,154
- Number of securities	10,376,451	9,728,951	4,613,951

Results of Operations for the Three and Twelve Months Ended December 31, 2013

The Company reports its results in two business segments: oil and gas and solar management. The discussion of segment operating results is set out below

Revenue and Expense Summary

	Dec. 31, 2013 $	Sept. 30, 2013 $	June 30, 2013 $	Mar. 31, 2013 $	Dec. 31, 2012 $	Sept. 30, 2012 $	June 30, 2012 $	Mar. 31, 2012 $
Revenue	771,075	7,960	5,646	9,048	5,644	7,103	5,450	18,062
Operating costs	27,910	9,033	4,162	9,733	7,222	8,176	3,966	3,707
Revenue after operating costs	743,165	(1,073)	1,484	(685)	(1,578)	(1,073)	1,484	14,355
Depletion and accretion expense	4,670	3,974	6,061	3,026	(113)	3,974	6,061	4,540
General and admin expense (recovery)	(410,959)	378,363	406,730	270,813	160,460	346,333	234,332	157,752
Income (loss) before other items	1,149,454	(383,410)	(411,307)	(274,524)	(134,580)	(385,581)	(388,688)	(147,937)
Other income (expenses) and comprehensive income	77,244	(607,068)	(182,086)	(127,972)	(327,862)	(604,897)	(204,705)	36,397
Total comprehensive income (loss) for the period	1,226,698	(990,478)	(593,393)	(402,496)	(462,442)	(990,478)	(593,393)	(111,540)

OG Division operations - year ended December 31, 2013

Revenue: Revenue from the sale of oil and natural gas (net of royalties) increased to $43,729 in 2013 from $37,749 in 2012.

Expenses: Operating costs were $50,838 in the year ended December 31, 2013 compared with $23,071 in 2012.

Net Oil and Gas Income: Net oil and gas income includes a charge for depletion and accretion expense, a non-cash charge to operations based on an estimate of changes to oil and gas reserves. The Company had a net oil and gas loss of $24,840 for the year ended December 31, 2013 compared with a loss of $1,277 in 2012.

General and Administration Expenses: General and administrative ("G&A") expense was $664,947 in 2013 compared to $899,977 in 2011. Management anticipates that it will continue to incur increased general and administrative expenditures as it continues to pursue its diversification strategy. Administrative expenses were $17,300 for the year ended December 31, 2013 as compared to $222,013 in 2011, due to cost reductions and expense recoveries from related parties. Management fees and consulting fees were $388,594 and $78,840, respectively, for the year ended December 31, 2013 as compared to $493,765 and $106,668 in 2012. Professional fees increased from $37,204 for the year ended 2012 as compared to $133,583 in 2013.

OG Division - quarter ended December 31, 2013

Revenue: Revenue from the sale of oil and natural gas (net of royalties) decreased from $21,075 in the quarter ended December 31, 2013 compared to $5,644 in the same quarter 2012. The Company expects future production revenue to decline due to declining production and weak commodity pricing.

Expenses: Operating costs were $27,526 in the quarter ended December 31, 2013 compared with $7,222 in the same quarter 2012.

Net Oil and Gas Income: Net oil and gas income includes a charge for depletion and depreciation expense, a non-cash charge to operations based on an estimate of changes to oil and gas reserves. The Company had a net loss of $6,835 in the quarter ended December 31, 2013 compared with a net loss of $1,089 in the same quarter 2012.

General and Administration Expenses: General and administrative ("G&A") expense (recovery) was ($416,184) in the quarter ended 2012 compared to $160,460 in 2011. The recovery was mainly due to a reduction in amounts recorded for administrative, office services and premises due to year-end expense recoveries from related parties.

SW Division operations - year ended December 31, 2013

Revenue: Revenue from operations management increased to $750,000 in 2013 from $nil in 2012.

General and Administration Expenses: General and administrative ("G&A") expense was $80,566 in 2013 compared to $5,191 in 2012. Management anticipates that it will see increased general and administrative expenditures as it continues to increase assets under management. Professional fees for the year ended December 31, 2013 were $80,566 as compared to $5,191 in 2012, and consisted of legal and audit fees.

SW Division operations – three months ended December 31, 2013

Revenue: Revenue from operations management increased to $750,000 in the quarter ended December 31, 2013 from $nil in the same quarter 2012.

General and Administration Expenses: General and administrative ("G&A") expense was $5,225 in 2013 compared to $nil 2012 and consisted of legal expense for general corporate matters.

Liquidity and Capital Resources

Berkley currently earns revenue from its oil and natural gas interests and operations management consulting from photovoltaic power generation projects. The Company invests its cash and cash equivalents with major Canadian financial institutions with investment grade credit ratings. Berkley has no outstanding bank debt or other interest bearing indebtedness as at December 31, 2013. At December 31, 2013, Berkley had $138,647 in cash and cash equivalents (December 31, 2012 - $462,365) and working capital of $320,669 (December 31, 2012 - $383,730). These balances will be used to fund future capital expenditures including photovoltaic power projects, office and administrative expenses and working capital requirements.

In order to undertake exploration and development programs, the Company will require further financial resources. Berkley assesses its financing requirements and its ability to access debt or equity markets on an ongoing basis. Given the current conditions of the financial markets, the company will seek to maintain financial flexibility and will monitor and assess its financing requirements as its activities

progress. The Company`s ability to access the equity or debt markets in the future may be affected by prolonged market instability. The inability to access the equity or debt markets for sufficient capital, at acceptable terms, and within required timeframes, could have a materially adverse effect on the Company`s financial condition, results of operations and prospects. Further discussion on these risks can be found in the "Risk Factors" section of the MD&A.

Outstanding Share Data

As of the date of this MD&A, Berkley has the following securities outstanding:

- 10,376,451 common shares; and
- 2,682,500 common share purchase warrants.

Financial Instruments and Business Risks

Fair Values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At December 31, 2013 and 2012, the Company's financial instruments include cash and cash equivalents, trade and other receivables, marketable securities, investment in RepliCel Life Sciences, accounts payable and accrued liabilities and due to related parties.

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

Berkley classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level – inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2 - inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace; and,
- Level 3 - inputs to the valuation methodology are not based on observable market data.

Cash and cash equivalents, marketable securities and the investment are recorded based on Level 1 of the fair-value hierarchy. Investment in RepliCel is recorded based on Level 1 of the fair value hierarchy for shares released from escrow and shares in escrow are recorded based on Level 2 of the fair value hierarchy.

The carrying value of trade and other receivables, due from related parties, accounts payable and accrued liabilities and due to related parties equals fair value due to the short-term nature of these balances.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes

for measuring and managing these risks. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with the risk management policies as set out herein:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of cash and cash equivalents and trade and other receivables represents the maximum credit exposure. A substantial portion of the Company's trade and other receivables are with natural gas and liquids marketers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. As at December 31, 2013, the maximum credit exposure is the carrying amount of the trade and other receivables of $100,102 (2012 – $164,215). As at December 31, 2013, the Company had cash of $138,647 (2012 - $462,365) that is deposited in banks. Management has assessed the risk of loss to be minimal. As at December 31, 2013, the Company's receivables consisted of $98,550 from joint venture partners and other trade receivables (2012 - $140,513) and $1,552 (2012 - $23,702) of revenue receivable from petroleum and natural gas marketers. `

The Company did not provide for any doubtful accounts, however was required to write off $28,450 of receivables (2012 - $14,439). The Company would only choose to write-off a receivable balance (as opposed to providing an allowance) after all reasonable avenues of collection had been exhausted.

The Company considers its trade and other receivables to be aged as follows:

		2013		2011
Not past due or impaired	**$**	**6,191**	$	77,361
Past due by less than 90 days but not impaired		**12,002**		4,581
Past due by more than 90 days but not impaired		**81,909**		82,273
	$	**100,102**	$	164,215

Amounts past due by more than 90 days are from Canada Revenue Agency therefore impairment would not be required as the Company expects to receive the full amount from this government agency.

Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's operating cash requirements are continuously monitored by management. As factors impacting cash requirements change, liquidity risks may necessitate the need for the Company to raise capital by issuing equity. The Company's financial liabilities are comprised of accounts payable and accrued liabilities and due to related parties, which have expected maturities of less than one year.

Market risk

The significant market risk exposures affecting the financial instruments held by the Company are those related to foreign currency exchange rates and commodity price risk which are explained as follows:

i. Currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company enters into transactions denominated in United States currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at December 31, 2013, the following items are denominated in United States currency as at:

	2013 CAD$	2012 CAD$
Cash and cash equivalents	**287**	317
Accounts payable and accrued liabilities	**26,921**	167

The Company's foreign exchange sensitivity is in relation to movements of the USD against the Canadian dollar. Based on USD balances as at December 31, 2013, a 5% increase/decrease of the USD against the Canadian dollar would result in an increase/decrease in total comprehensive loss of approximately $1,400.

ii. Commodity price risk

Commodity price risk is the risk that the cash flows and operations of the Company will fluctuate as a result of changes in commodity prices. Significant changes in commodity prices can also impact the Company's ability to raise capital or obtain additional debt financing. Commodity prices for crude oil are impacted by world economic events that dictate the levels of supply and demand.

The Company's financial performance is closely linked to crude oil and natural gas prices. While the Company may employ the use of financial instruments in the future to manage these price exposures, it currently does not have enough producing wells to hedge its production, and its crude oil and natural gas liquids are sold into spot markets. Given productions levels, a 10% change in commodity prices would not have a material effect on earnings.

Critical Accounting Estimates

The timely preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the financial statements. These assumptions are based on historical experience and other factors that management believes to be reasonable under the circumstances, and are subject to change as new events occur, as more industry experience is acquired, as additional information is obtained and as the Company`s operating environment changes.

Information about critical judgments in accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 2 – estimated useful lives and impairment of property and equipment

Note 11 – inputs used in estimating fair value for share-based payment transactions

Note 15 – provision for income taxes

Note 18 – valuation of trade and other receivables

Related Party Transactions

The consolidated financial statements include the financial statements of Berkley Renewables Ltd. and the subsidiaries listed below:

		% equity interest	
Name	**Country of Incorporation**	**December 31, 2013**	**December 31, 2012**
American Uranium Corp.	United States of America	53%	53%
Solar Flow-Through 2012-I General Partner Ltd.	Canada	95%	95%
Solar Flow-Through 2012-I Management Ltd.	Canada	95%	95%
Solar Flow-Through 2013-I General Partner Ltd.	Canada	95%	-
Solar Flow-Through 2013-I Management Ltd.	Canada	95%	-

Balances and transactions between Berkley and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions with other related parties are disclosed below:

a) Due to related parties consists of $53,104 (2012 - $55,604) due to Directors of Berkley for Directors fees, consulting fees and expenses. The remaining $80,929 (2012 - $27,305) are amounts due to Solar Flow-Through 2013-I Limited Partnership, a company under common management for legal expenses paid on the Company's behalf.

b) During the year, Solar Flow-Through 2013-I Management Ltd. earned $750,000 of consulting revenues from Solar Flow-Through 2013-I Limited Partnership in accordance with the management agreement dated September 30, 2013 based on 7.5% of the gross proceeds from units issued in the year for the investment and development of solar photovoltaic power generation projects, at December 31, 2013 $431,000 was included in due from related parties. The remaining $339,132 included in due from related parties at December 31, 2013 relates to financing and other expenses paid on behalf of Solar Flow-Through 2012-I Limited Partnership, a company under common management. At December 31, 2012, due from related parties of $15,000 related to an advance to key management personnel. Additional revenues of 7.5% from Solar Flow-Through 2013-I Limited Partnership will be received once photovoltaic projects are in operation. Upon a liquidity event, Solar Flow-Through 2013-Management Ltd. may propose a compensation structure that will need to be approved by the Limited Partners. Solar Flow Through 2012-I Management Ltd. receives a 1.5% fee based on total available funds and amounts raised in debt financing.

c) Berkley takes part in a cost sharing arrangement to reimburse Oniva International Services Corporation ("Oniva"), a private company owned by public companies having common Directors, for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of Berkley, and to pay a percentage fee based on the total overhead and corporate expenses. The agreement may be terminated with one-month notice by either party. Rent, administrative services, office supplies and accounting charges totalling $42,687 were incurred by the Company to Oniva during the year ended December 31, 2013 (2012 - $81,057).

   Management and consulting fees totalling $473,491 were paid to management and their private companies in 2013 (2012 - $459,189).

Related party transactions were in the normal course of operations and have been measured at the exchange amount, which is the amount agreed to by the related parties. At year end, $87,267 (2012 - $86,881) was included in accounts payable and accrued liabilities.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the years were as follows:

	2013 $	2012 $
Compensation, including bonuses	441,774	484,189
	441,774	**484,189**

Recent Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date.

(i) IFRS 2 Share-based payment - The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

(ii) IFRS 3 Business combinations - The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

(iii) IFRS 7 and IAS 32 – Financial instruments: Disclosures and financial instruments: presentation to clarify the current offsetting model and develop common disclosure requirements to enhance the understanding of the potential effects of offsetting arrangements. Amendments to IFRS are effective on January 1, 2014 with retrospective application and earl adoption permitted. The Company is currently assessing the impact of this standard on its consolidated financial statements.

(iv) IFRS 9 - Financial Instruments: issued in October 2010, is the first phase in the replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 revises the current multiple classification and measurement models for financial assets and liabilities and limits the models to two: amortized cost or fair value. The new standard is effective for the Company's interim and annual consolidated financial statements commencing January 1, 2015. The Company is currently assessing the impact of this standard on its consolidated financial statements.

(v) IFRS 10, "Consolidated Financial Statements," supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". This standard provides a single model to be applied in control analysis for all investees including special purpose entities. The adoption of this standard had no impact on the amounts recorded in the Company's financial statements.

(vi) IFRS 12, "Disclosure of Interest in Other Entities," combines the disclosure requirements for entities that have interest in subsidiaries, joint arrangements, and associates as well as unconsolidated structured entities. The adoption of this standard had no impact on the Company's financial statements.

(vii) IFRS 13, "Fair Value Measurement," establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The adoption of this standard had no impact on the Company's financial statements.

(viii) IAS 24 Related party disclosures - The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

(ix) In May 2013, the IASB issued amendments to IAS 36 "Impairment of Assets" which reduces the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarify the disclosures required when an impairment loss has been recognized or reversed in the period. The amendments are required to be adopted retrospectively for fiscal years beginning on or after January 1, 2014, with earlier adoption permitted. These amendments will be applied by the Company on January 1, 2014 and the adoption will only impact the Company's disclosures in the notes to the financial statements in periods when an impairment loss or impairment reversal is recognized.

(x) IAS 39 Financial Instruments: Recognition and measurement - The amendments to IAS 39, issued in June 2013, clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations, does not terminate hedge accounting. The amendments are effective for annual periods beginning on or after January 1, 2014.

(xi) IFRIC 21 Levies - IFRIC 21 Levies, issued in May 2013, provides guidance on the accounting for levies within the scope of IAS 37 Provisions, contingent liabilities and contingent assets. The main features of IFRIC 21 are as follows:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and,

- The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The standard is effective for annual periods beginning on or after January 1, 2014.