



EXPLORATION SCHYAN EXPLORATION INC.

**Management's Discussion and Analysis
of Financial Condition and Results of Operation**

For the three and six months ended June 30, 2012

This management discussion and analysis ("MD&A") is prepared as at AUGUST XX, 2012 and should be read in conjunction with the June 30, 2012 unaudited interim condensed financial statements and notes thereto and our audited financial statements for the years ended December 31, 2011 and 2010 and notes thereto of Schyan Exploration Inc. / Exploration Schyan Inc. ("Schyan" or the "Company"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board (IASB). All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements.

Cautionary Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Schyan to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Schyan to fund the capital and operating expenses necessary to achieve the business objectives of Schyan, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Schyan. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Schyan should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

OVERVIEW

The Company is incorporated under the laws of the Province of Ontario by Letters Patent dated September 17, 1940 and became a reporting issuer in Ontario on or about December 16, 1940. On October 29, 2008, Bandolac Mining Company, Limited (the "Company") formally changed its name to Schyan Exploration Inc. / Exploration Schyan Inc.

The registered and principal office of the Company is located at 370 Steeles Avenue West, Suite 203, Thornhill, Ontario, L4J 6X1.

The Company's goal is to acquire and explore mineral properties in Canada.

The Company does not hold any interests in producing or commercial ore deposits. The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These include commodity prices, availability of capital, exploration risks, regulatory risks, environmental risks, competition, dependence on key personnel, potential risks relating to mineral titles and aboriginal land claims, currency risk and potential amendments to tax laws.

Overall Performance

For the six months ended June 30, 2012 the Company's cash and cash equivalent position increased by \$33,408 to \$213,780 from \$180,372 as at December 31, 2011.

For the six months ended June 30, 2012, the Company's mineral properties and deferred exploration expenditures increased by \$390 to a cumulative total of \$317,317,742 from \$317,352 at December 31, 2011.

The principal business reason for the creation of Schyan is to acquire and explore mineral properties in Canada.

Schyan is currently active and owns the Casino Property in the Cadillac, Quebec area. The expenses incurred to date are all related to maintaining the Company's status as a reporting issuer.

Trends

There are no trends, commitments, events or uncertainties presently known or identifiable to management that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations. The nature of the Company's business is demanding of capital for property acquisition costs, exploration commitments and holding costs. The Company intends to utilize cash on hand to meet these obligations and will continue to raise funds by equity financings as necessary to augment its cash position, as it does not have any operating cash flow.

Review of Operations

Three Month Period Ended June 30, 2012 and 2010

The Company incurred a net income of \$12,031 or \$0.00 a share for the three month period ended June 30, 2012, compared with a net loss of \$203,221 or \$0.05 a share for the same period ended June 30, 2011.

Legal and audit fees were \$12,209 for the three months ended June 30, 2012, as compared to \$15,309 for the three month period ended June 30, 2011, these expenses will increase on a going forward basis as the Company becomes more active and starts to raise additional funds.

Shareholder Information expenses for the three months ended June 30, 2012 were \$1,217 as compared to \$922 for the comparable period, these expenses will also increase in the next several quarters as the Company becomes more active.

General and administrative expenses for the three months ended June 30, 2012 were \$2,358 as compared to \$2,353 for the comparable period; these expenses will also increase in the next several quarters as the Company becomes more active.

Investor relations and travel expenses for the three months ended June 30, 2012 were \$3,882 as compared to \$2,780 for the comparable period; these expenses will also increase in the next several quarters as the Company becomes more active.

There was a decrease in the change in the fair value of the short term investment in the amount of \$12,000, as compared to \$128,000 for the comparable period.

Total exploration and evaluation costs decreased by \$43,697 for the three month period ended June 30, 2012 with a cumulative total of \$273,655 from \$317,352 at December 31, 2011. The decrease is attributable to the Company receiving proceeds from a provincial exploration tax credit.

As the Company just started becoming more active comparative figures may not be meaningful.

Six Month Period Ended June 30, 2012 and 2010

The Company incurred a net loss of \$25,562 or \$0.01 a share for the six month period ended June 30, 2012, compared with a net loss of \$223,575 or \$0.06 a share for the same period ended June 30, 2011.

Legal and audit fees were \$15,988 for the six months ended June 30, 2012, as compared to \$18,334 for the six month period ended June 30, 2011, these expenses will increase on a going forward basis as the Company becomes more active and starts to raise additional funds.

Shareholder Information expenses for the six months ended June 30, 2012 were \$4,128 as compared to \$2,090 for the comparable period, these expenses will also increase in the next several quarters as the Company becomes more active.

General and administrative expenses for the six months ended June 30, 2012 were \$4,748 as compared to \$4,783 for the comparable period; these expenses will also increase in the next several quarters as the Company becomes more active.

Investor relations and travel expenses for the six months ended June 30, 2012 were \$7,395 as compared to \$5,706 for the comparable period; these expenses will also increase in the next several quarters as the Company becomes more active.

There was a decrease in the change in the fair value of the short term investment in the amount of \$37,000, as compared to \$135,000 for the comparable period.

Total exploration and evaluation costs decreased by \$43,697 for the three month period ended June 30, 2012 with a cumulative total of \$273,655 from \$317,352 at December 31, 2011. The decrease is attributable to the Company receiving proceeds from a provincial exploration tax credit.

As the Company just started becoming more active comparative figures may not be meaningful.

Selected Financial Information

The information below should be read in conjunction with the management's discussion and analysis, the financial statements and related notes and other financial information for the appropriate periods referred to below. The following is for the periods ended:

	Year Ended December 31 2011	Year ended December 31 2010	Year ended December 31 2009 (CDN GAAP)
	\$	\$	\$
Total revenue	2,535	-	-
Net (Loss) Income	(410,553)	(203,290)	614,672
(Loss) Income per share	(0.10)	(.05)	.16
Total assets	321,776	706,086	988,315

Results for the six months ended:

	June 2012	March 2012	December 2011	September 2011
	\$	\$	\$	\$
Net (loss) income	12,031	(37,593)	(48,327)	(138,651)
(Loss) Earnings per share	0.00	(0.01)	(0.01)	(0.03)

	June 2011	March 2011	December 2010	September 2010 (1)
	\$	\$	\$	\$
Net income (loss)	(203,221)	(20,354)	(35,839)	(42,686)
Earnings (loss) per share	(0.05)	(0.01)	(0.01)	(0.01)

(1) Financial information prior to our IFRS transition date is reported under Canadian GAAP

Liquidity and Capital Resources

The Company has no production or other revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of ore containing economic concentrations of gold or other mineral resources are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish ore reserves. Additional substantial financial resources will be required to develop mining and processing for any ore reserves that may be discovered. If the Company is unable to finance the establishment of ore reserves or the development of mining and processing facilities it will be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

Related Party Transactions

During the year ending June 30, 2012, two related parties had advanced Nil (2011- Nil) to the Company to provide some of the working capital used by the Company. The advances are interest free and have no fixed terms of repayment.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Recent Events

The Company is focused on exploring and developing its base metals and gold properties located in the Township of Cadillac, county of Abitibi, in the Province of Quebec.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

	June 30, 2012	December 31, 2011
Exploration and evaluation expenditures	\$ (43,697)	\$ 59,083
Corporate expenses	32,259	66,005
Total assets	308,101	321,776

	Six months ended June 30, 2012 Expensed	Year ended December 31, 2011 Expensed
Exploration and evaluation expenditures		
Government fees	\$ 390	\$ 3,600
Drilling	-	31,350
Geophysical surveys	-	19,170
Assays, surveys, maps	-	4,963
Proceed from provincial exploration tax credits	(44,087)	
	\$ (43,697)	\$ 59,083

	June 30, 2012	December 31, 2011
Corporate Expenses		
Legal and accounting	\$ 15,988	\$ 36,246
General and administrative	4,748	10,075
Shareholder information	4,128	8,743
Investor relations and travel	7,395	10,941
Corporate Expenses	\$ 32,259	\$ 66,005

	June 30, 2012	December 31, 2011
Outstanding share data		
Issued and outstanding common shares	3,961,372	3,961,372
Outstanding options to purchase common shares	300,000	300,000
Fully-diluted	4,261,372	4,261,372

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, short-term investment, HST recoverable accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Assessment of Recoverability of Future Income Tax Assets

In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the income statement.

Assessment of Recoverability of Receivables Including HST

The carrying amount of accounts receivables and HST are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Critical Accounting Policies

Income Tax

The Company accounts for income taxes in accordance with the asset and liability method. The determination of future income tax assets and liabilities is based on the differences between the financial statement and the income tax bases of assets and liabilities, using substantively enacted tax rates in effect for the period in which the differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Areas where management uses subjective judgment include, but are not limited to, recoverability of mineral properties and related deferred costs, future income taxes and the valuation of warrants and options. Management believes that these estimates are reasonable.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of highly liquid investments with maturity of year or less at the date of original issue.

Income (Loss) per Share

Basic income (loss) per share is determined by dividing the net income (loss) by the weighted average number of ordinary shares outstanding during the financial period. Diluted income (loss) per share is the same as basic income (loss) per share.

Financial Instruments

All financial assets and liabilities are initially recognized at fair value. In subsequent periods, financial assets and liabilities which are held for trading are recorded at fair value with gains and losses recognized in net income; financial assets which are loans and receivables or held to maturity are recorded at amortized cost using the effective interest rate method and gains and losses recognized in net income; financial assets which are available for sale are recorded at fair value with gains and losses recognized (net of applicable taxes) in other comprehensive income; financial liabilities that are not held for trading are recorded at amortized cost using the effective interest rate method and recognized in net income.

Transaction Costs

The Company expenses transaction costs relating to its financial instruments.

Comprehensive Income (Loss)

The Company records unrealized gains and losses from temporary changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Hedging

Section 3865 of the CICA Handbook specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and for the six months ended June 30, 2012, the Company had no hedges in place.

Financial Instruments and other Instruments

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company can not assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospective properties for mineral exploration in the future.

Financial Risk Factors

Fair Value of Financial Instruments

The Company has, designated its cash and cash equivalents and marketable securities as held for trading, which are measured at fair value. HST recoverable is classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Accounts payable and accrued liabilities and property option payable are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value. As at June 30, 2012 the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject in and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions

could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash and cash equivalents are held with a high rated Canadian financial institution in Canada.

Market Risk

Interest Rate Risk

The Company does not have any interest bearing debt. The Company invest cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian Bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates.

Foreign Currency Risk

The Company's exploration and evaluation activities are substantially denominated in Canadian dollars. The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial Institution.

Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its investments. The Company's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities) are not subject to price risk.

Commodity Price Risk

The price of the Company's common shares, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Exploration Development and Operating Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to property, and possible environmental damage. Development of the Company's mineral properties will follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in a discoveries of commercially viable bodies or ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals

will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Business Risk

The success of the operations and activities of Schyan is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2012, the Company had current assets of \$308,101 (December 31, 2011 - \$321,776) and current liabilities of \$362,888 (December 31, 2011 - \$351,001). All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. Current working capital deficiency of the Company is \$54,787 as of June 30, 2012 compared to \$29,225 as of December 31, 2011.

Sensitivity analysis

The Company has designated its cash and cash equivalents as held for trading, which is measured at fair value; the carrying amount of the financial instruments equals fair market value.

Management believes that, based on their knowledge and experience of financial markets, the following sensitivity analysis is appropriate for its cash and cash equivalents and its exposure to foreign exchange risk: The Company's funds are held primarily in short term investment grade deposits, the rates of which are fixed for a period not exceeding three months.

As of June 30, 2012, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) The Company's short-term investments are subject to fair value fluctuations. As at June 30, 2012, if the fair value of the short-term investments had decreased/increased by 25% with all other variables held constant, net loss for the period ended June 30, 2012 would have been approximately \$22,750 (December 31, 2011 - \$32,000) higher/lower. Similarly, as at June 30, 2012, reported shareholders' equity would have been approximately \$22,750 (December 31, 2011 - \$32,000) lower/higher as a result of a 25% decrease/increase in the fair value of marketable securities.

(ii) The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

Critical Accounting Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates relate primarily to the recoverable value of its mineral properties and related deferred exploration costs.

These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

If the going concern assumption was not appropriate for the period ended June 30, 2012 unaudited interim condensed financial statements, then adjustments would be necessary to the carrying value of assets and liabilities and the reported loss.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent year end there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Treasurer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this MD&A, management of the Company, with the participation of the President and Chief Executive Officer and the Treasurer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Treasurer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Treasurer, as appropriate to allow timely decisions regarding required disclosure.

Milestones

As of June 30, 2012, the Company had not met its milestone of having the shares of the Company trading on an exchange. Management is hopeful this milestone will be achieved during the next several quarters.

Comparative Information

The Company has restated all periods from January 1, 2010 onwards in accordance with IFRS.

Management's Responsibility

Management is responsible for all information contained in this report. The Financial Statements for the period ended June 30, 2012 have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements for the period ended June 30, 2012 in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Board of Directors has approved the Financial Statements on the recommendation of the Audit Committee.

Mitchell E. Lavery, President & CEO
AUGUST XX, 2012