

UGE INTERNATIONAL LTD.

(formerly Way Ventures Inc.)

Management's Discussion and Analysis

Three months ended March 31, 2015

The following Management Discussion and Analysis ("MD&A") is prepared as of May 28, 2015 and is intended to assist in understanding the results of operations and financial condition of UGE International Ltd. (the "Company" or "UGE"). Throughout the MD&A reference to the Company or UGE is on a consolidated basis. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015 and the audited consolidated financial statements for the year ended December 31, 2014, both of which are expressed in United States dollars and prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are expressed in United States Dollars unless otherwise indicated.

Forward-Looking Information

This MD&A may contain forward-looking information that involves material assumptions and known and unknown risks and uncertainties, certain of which are beyond the Company's control. Such assumptions, risks and uncertainties include, without limitation, those associated with, loss of markets, expected sales, future revenue recognition, currency fluctuations, the effect of global and regional economic conditions, industry conditions, changes in laws and regulations, and changes in how they are interpreted and enforced, the lack of qualified personnel or management, fluctuations in foreign exchange or interest rates. The Company's performance could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if they do so, what benefits the Company will derive there from. The forward-looking information is made as of the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Corporate Profile

UGE is a global renewable energy company, focused on serving commercial and industrial clients with energy solutions that provide cheaper, more reliable, and more sustainable electricity. We work with local partners around the world to design and deploy energy systems, either directly to our clients or by selling the components of the system to our partner, for resale to the end user. In our model, our partners provide local connections and knowledge, while we provide system engineering, procurement, project financing and a trustworthy brand. Together, we aim to provide leading solutions and customer service to our clients.

Revenue recognition varies based on the method of deployment. When completing projects directly for our clients we generally recognize revenue after commissioning of the energy system. When we are selling components to a partner we recognize revenue after change of title, which generally occurs at shipment.

UGE has proprietary software and expertise that we use to generate energy systems typically ranging in size from 10kW to 2MW of rated peak capacity that include some or all of solar panels, solar racking, wind turbines, wind turbine towers, power electronics, batteries, and remote monitoring, among other items. When completing projects directly for our clients, the project can also include services such as engineering, installation, operations and maintenance, and arrangement of financing. Direct sales are often made to large companies (examples include Whole Foods Market, Inc., General Electric Company, and BMW AG) and are often referred to in this MD&A as "direct" sales. Revenue from direct sales can at times fluctuate greatly from quarter to quarter as the projects tend to be larger and UGE's involvement with the project comes earlier in the sales and contracting cycle.

UGE was formed in 2008 as an energy solutions company, looking to package renewable energy technologies to solve the needs of commercial and industrial clients. We first reached commercial

success through designing and manufacturing our proprietary line of vertical axis wind turbines ("VAWT"), which we brought to market in 2010. Utilizing a global distribution network (the "Partner Network") we believe we became the world's top seller of VAWTs, with installations in over 90 countries, including on the Eiffel Tower and several other noteworthy clients. We have since grown expertise in solar and microgrid system design, remote energy monitoring, energy storage, and project financing, which we leverage to deploy optimized energy systems for our clients.

In 2014 we set in place a strategic shift that saw us refine our focus towards commercial and industrial clients in key markets, which was coupled with our public listing in August. Early signs of validation of our shift were seen in our growing confirmed orders in the third and fourth quarters of 2014, with each quarter setting a new Company record for confirmed orders (firm contracts with customers). In the first quarter of 2015 we continued to build on this momentum with new confirmed orders nearly equaling that of the entire year ended December 31, 2014.

As mentioned, we generally recognize revenue at the time of shipment or upon installation, based on method of deployment. Based on the time taken to fulfill an order, revenue follows the date an order is confirmed by approximately three months for component sales, six months for complete projects, or somewhat longer for complex or staged projects. Due to this time lag, management tracks confirmed orders, defined as orders where we have an executed agreement with a customer, as an early indication of future revenue.

The Company is focused on providing the optimal energy solution to the customer, though historically a significant portion of revenues have come from the sale of our proprietary wind turbine product line. As we have gained prominence in the faster growing solar sector, our overall mix of sales has shifted towards solar. Margins in commercial solar are often lower, but invested capital per dollar sales is also much lower, because we do not manufacture solar panels, the largest cost of solar installations. We believe this shift will be beneficial for the Company, as the solar industry is expected to continue to experience rapid growth, and that we will benefit through increased revenues and net income that we could not expect solely focusing on our wind products. The wind turbines remain a key component of our offering and our expertise in wind is often a key differentiator allowing us to offer the best possible renewable energy solution to customers.

Overall Performance

During the quarter ended March 31, 2015, the Company secured $4,825,000 in new confirmed orders, as compared to $661,000 in the same period of the prior year, an increase of 630%. The quarter's confirmed order total set a third consecutive quarter-over-quarter increase being more than 2 times the previous highest total for any quarter in Company history.

Total revenue for the quarter ended March 31, 2015 was $657,527, compared with $848,488 in the same period of the prior year. In addition, there is revenue of approximately $311,000 that has not yet been recognized related to two projects for which we are awaiting payment, however the cost of goods sold relating to these projects was recorded in the year ended December 31, 2014. Management expects the Company will recognize this revenue in 2015.

Our gross margin remained steady at 33% of total revenues for the quarter ended March 31, 2015 as compared with 34% in the same period of the prior year. Maintaining a strong gross margin continues to be one of our objectives, through supply chain optimization, technology differentiation, and a greater emphasis on providing services as part of our project sales.

Our selling, general and administrative ("SG&A") expenses for the quarter ended March 31, 2015 increased to $1,563,920 from $1,085,696 in the prior period, including $334,023 of non-cash expenses, as a direct result of our updated strategic plan, which was implemented in 2014.

Selected Quarterly Financial Information

In thousands, except loss per share	Three months ended March 31, 2015	2014
Revenue	$ 657,527	$ 848,488
Cost of sales	442,161	558,302
	33%	34%
Gross profit	215,366	290,186
Expenses		
Selling, general and administrative	1,563,920	1,085,696
Net finance costs	46,102	44,902
Income tax expense (recovery)	2,672	(26,066)
	1,612,694	1,104,532
Net loss	$ (1,397,328)	$ (814,346)
Loss per share - Basic and diluted	$ (0.13)	$ (0.22)

$ In thousands	March 31, 2015	December 31, 2014
Total assets	$ 9,567,321	$ 9,214,306
Total non-current financial liabilities	$ 1,814,344	$ 1,846,268

Results of Operations for the three months ended March 31, 2015 compared with 2014

Revenue for the three months ended March 31, 2015 was $657,527 compared with $848,488 in the prior period, a decrease of 22%. The prior quarters' confirmed orders represented an increased portion of direct sales for which UGE traditionally takes a longer time to move from order to commissioning and consequently recognizable revenue. In addition, revenue does not include two projects with a total amount of approximately $311,000 for which we have delivered products and recognized cost of goods sold ("COGS") in the prior year but have not yet recognized revenue. We expect to receive payment from our customers and recognize revenue in 2015.

UGE's gross margin for the three months ended March 31, 2015 was 33% as compared with 34% in the same period of the prior year. The decrease in revenue resulted in a gross profit of $215,366 for the three months ended March 31, 2015, a decrease of $74,820 from $290,186 in the same period of the previous year.

UGE's SG&A expenses of $1,563,920 for the three months ended March 31, 2015, as compared to $1,085,696 in the same period of the prior year. Employee compensation was $1,066,135 for the three months ended March 31, 2015 as compared with $542,575 in the same period of the prior year, an increase of $523,559, of which $334,023 was non-cash based equity compensation. The increase was a

result of changes made to our team as we added employees with the skillsets and experience to fit our strategic directive and to deploy our rapidly increasing order book.

Net finance expense remained almost constant at $46,102 for the three months ended March 31, 2015 as compared to $44,902 in the same period of the prior year.

As a result of decreased gross profit and increased SG&A, we had a net loss of $1,397,328 in the three months ended March 31, 2015 as compared with $814,346 in the same period of the prior year.

Summary of Quarterly Results

All amounts in 000's, except per share figures

	Jun 30 2013 Q2	Sep 30 2013 Q3	Dec 31 2013 Q4	Mar 31 2014 Q1	Trailing four quarters	Jun 30 2014 Q2	Sep 30 2014 Q3	Dec 31 2014 Q4	Mar 31 2015 Q1	Trailing four quarters
Revenue	$ 897	$ 2,120	$ 1,230	$ 848	$ 5,095	$ 686	$ 988	$ 1,316	$ 658	$ 3,648
Net loss	$ (658)	$ (339)	$ (995)	$ (814)	$ (2,806)	$ (1,174)	$ (3,065)	$ (1,979)	$ (1,397)	$ (7,615)
Basic and diluted loss per share	$ (0.29)	$ (0.13)	$ (0.31)	$ (0.22)	$ (0.95)	$ (0.16)	$ (0.32)	$ (0.20)	$ (0.13)	$ (0.81)

Quarter to quarter comparisons in the financial results is not necessarily meaningful and should not be relied upon as an indication of future performance. The quarterly information is unaudited, but reflects all adjustments of a normal recurring nature, which are, in the opinion of management, necessary to present a fair statement of results of operations for the periods presented. Our revenues and earnings may fluctuate from quarter to quarter. A number of factors could cause such fluctuations, including the timing of substantial orders. Because our operating expenses are determined based on anticipated sales, are generally fixed, and are incurred throughout each fiscal quarter, any of the factors listed above could cause significant variations in our revenues and earnings in any given quarter. Listing costs of $1,715,719 related to the corporate reorganization discussed in the Completed Transactions section and incurred in the three months ended September 30, 2014 significantly contributed to the net loss during the period.

Liquidity and Capital Resources

Cash flow from operations

In this period of expansion, cash from operations has not been sufficient to meet our obligations. We are incurring losses as we expand our operations and revenues have not been sufficient to cover all costs, and may not be sufficient for several quarters. We anticipate that we will incur further losses in the development of the business. The Company has generated additional cash through private placements and loans from related parties. Our primary uses of cash are operating expenses, including cost of sales.

During the three months ended March 31, 2015, the Company incurred a net loss of $1,397,328 and negative cash flow from operations of $819,830. In addition, as of March 31, 2015 the Company has a working capital deficiency of $2,149,391.

To date we have funded losses with cash from operations, private placements and related party debt. To the extent that the Company does not achieve positive cash flows from operations in the future, or financing is not available or not available on reasonable terms, reductions in expenditures will be required or the Company may not be able to continue as a going concern. Certain conditions discussed above raise substantial doubt about the ability of the Company to continue as a going concern.

Management believes that there will be significant growth in revenues as we expand upon existing projects and grow in key markets. However, we will require additional funding to continue growth of the Company. During the three months ended March 31, 2015, the Company completed a non-brokered private placement of 1,189,834 units for net cash proceeds of $1,398,639, net of issuance costs of $28,268. In addition, the Company issued warrants to investors to purchase an additional 594,915 shares and warrants to a broker to purchase 4,120 shares at at CAD $1.80 per share until March 16, 2016 at CAD $1.80. The Company is also pursuing additional financing options.

Management are of the opinion that it is appropriate to prepare the condensed consolidated interim financial statements for the three months ended March 31, 2015 on a going concern basis, which do not include any adjustments or disclosures that would be required if assets are not realized and liabilities and commitments are not settled in the normal course of operations. If we are unable to continue as a going concern, then the carrying value of certain assets and liabilities would require revaluation to a liquidation basis, which could differ materially from the values presented in the consolidated financial statements, and such adjustments could be material.

As of March 31, 2015, the Company had cash of $917,275 and restricted cash of $110,547. The restricted cash relates to a government grant for the continued investment in property, plant and equipment in The People's Republic of China (PRC).

As of March 31, 2015, the Company had a working capital deficit of $2,149,391 as compared with $2,448,655 at December 31, 2014. The private placement during the three months ended March 31, 2015 contributed to the majority of the increase in working capital.

As of March 31, 2015, the Company had loans with related parties as follows:

- A loan of $1,475,894 (RMB 9,146,850) from Xiangrong Xie, a director, with a fixed annual interest rate of 6% beginning in July 2015. The loan is unsecured and is to be repaid evenly over 10 years with monthly repayments commencing July 1, 2015.

- A loan of $500,000 with Qi Liu, a family member of the Chief Executive Officer ("CEO"), with a fixed annual interest rate of 5%, beginning in July 2015. The loan is unsecured and is to be repaid evenly over five years with monthly repayments commencing July 1, 2015.

- A loan of $806,777 (RMB 5,000,000) from Yun Liu, a shareholder and family member of the CEO, with a fixed annual interest rate of 7.4%. Interest is payable monthly until the principal due date. The loan is unsecured and due September 19, 2015.

- A loan of $1,129,488 (RMB 7,000,000) from Beijing Zhongjihaotai Investment Ltd., a company controlled by Xiangrong Xie, a director, with a fixed annual interest rate of 7.49%. Interest is payable monthly until the principal due date of March 2, 2016. The loan is secured by the Company's manufacturing assets in the PRC.

- A loan of $1,104,673 (RMB 6,849,216) from Xiangrong Xie, a director. The loan is unsecured, non-interest bearing and is due on demand after July 1, 2015.

As of March 31, 2015, UGE has contractual commitments as follows:

	Carrying amount	Contractual cash flows	Within 1 year	1 to 2 years	2 to 5 years	5 to 10 years
Trade and other payables	$ 2,001,268	$ 2,001,268	$ 1,996,140	$ 5,128	$ -	$ -
Loans payable	4,990,991	5,678,401	3,378,401	309,852	929,558	1,060,590
Contractual commitments	-	83,000	83,000	-	-	-
Lease commitments	-	119,000	119,000	-	-	-
	$ 6,992,259	$ 7,881,669	$ 5,576,541	$ 314,980	$ 929,558	$ 1,060,590

Our objective in managing capital is to safeguard our ability to continue as a going concern and to sustain future development of the business. In the management of capital, we include shareholders' equity, excluding accumulated other comprehensive income. Our objective is met by retaining adequate equity to provide for the possibility that cash flows from operations will not be sufficient to meet future cash flow requirements. In order to maintain or adjust our capital structure, we may issue shares. The Board of

Directors does not establish quantitative return on capital criteria for management. The Company is not subject to any externally imposed capital requirements and our overall strategy with respect to capital management remains unchanged from the year ended December 31, 2014.

Transactions with Related Parties

In April 2014, the Company entered into a lease for its office in Beijing from Xiangrong Xie, a director of the Company, for approximately $6,500 (RMB 40,000) per month. For the three months ended March 31, 2015, $19,488 (RMB 120,000) has been recorded for this transaction in SG&A in the condensed consolidated interim financial statements. The lease has been renewed subsequent to quarter end to expire on December 31, 2015.

During the year ended December 31, 2013, we agreed to lease a portion of our land use rights in the PRC to Xiangrong Xie, a director, for development of an office facility and hotel. Upon completion of the development, the Company will be entitled to approximately 3,300 square meters for use as product display, 2,000 square meters for research and development, offices, and 100 room nights per annum free of charge at the development until 2059. There have been no amounts incurred or recorded for this transaction in the consolidated financial statements.

During the year ended December 31, 2013, UGE Pingquan entered into a pledge agreement with a bank and Qi Liu under which UGE Pingquan pledged a portion of its land use rights and buildings as security for a bank loan extended to the related party.

During the year ended December 31, 2014, the Company received and repaid a bridge loan of $300,000 from Nathun Venture Advisors Inc., a company controlled by Matthew Watson, a director of the Company.

As of March 31, 2015, the Company has a receivable of $25,409 (December 31, 2014 - $25,409) due from an officer of the Company.

During the three months ended March 31, 2015 the Company:

- Incurred accrued interest expense of $10,519 (2014 - $23,116), with a director, Xiangrong Xie, or companies controlled by the director. The Company accrued interest due to an extension in the interest free period by Xiangrong Xie; and,
- Incurred accrued interest expense of $5,953 (2014 - $Nil), with Qi Liu, a family member of the CEO. The Company accrued interest due to an extension in the interest free period by Qi Liu; and,
- Incurred interest expense of $14,419 (2014 - $11,471), with Yun Liu a shareholder and family member of the CEO; and,
- Incurred interest expense of $21,241 (2014 - $179), with Beijing Zhongjihaotai Investment Ltd, a company controlled by Xiangrong Xie, a director of the Company; and,
- Accrued interest expense of $Nil (2014 - $4,680), with Nathun Venture Advisors Inc. a company controlled by Matthew Watson, a director of the Company.

All existing loans with related parties are discussed in the Liquidity and Capital Resources section.

Completed Transactions: Corporate Reorganization

On July 28, 2014, UGE International Ltd. completed the acquisition (the "Transaction") of UGE Holdings Limited ("UGE Holdings"). The Transaction constitutes a reverse-takeover and is accounted for with UGE Holdings being identified as the accounting acquirer and the net assets of UGE International Ltd. being recorded at fair value at the date of the transaction.

While the decision to complete this transaction was central to our long term strategic and capital plans, this resulted in $1,805,039 in listing expenses for the year ended December 31, 2014. Of this amount, a one-time non-cash expense of $1,568,229 was due to an excess of fair value of the consideration paid over the fair value of net assets of UGE International, in accordance with IFRS accounting for reverse take-over transactions. Further, due to our operations in the PRC, the Transaction was subject to the Emerging Market Policy which necessitated extensive additional costs beyond what was initially expected in respect of due diligence, legal and accounting to complete the transaction. Management believes that our strategic plan will deliver significant value going forward that will justify these one-time costs.

Financial Instruments and other instruments

The Company's risk exposures and the impact on our financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill our payment obligations. The Company manages credit risk by generally requiring payment from customers prior to shipment. However, the Company does have trade receivables outstanding with several customers.

Liquidity risk

The Company's objective in managing liquidity risk is to ensure that we will have sufficient liquidity to meet its financial obligations when due by maintaining sufficient cash and cash equivalents to settle current liabilities and meet our anticipated working capital requirements. As of March 31, 2015, the Company had restricted cash of $110,547 for use in the expansion and manufacturing capacity in the PRC and $917,275 of cash to settle current liabilities of $6,142,626.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and debt with fixed interest rates and therefore is not significantly exposed to fluctuating interest rates. Our current policy is to invest excess cash in a savings account at our banking institution.

(b) Foreign currency risk

The Company enters into transactions denominated in US dollars, Canadian dollars, and Renminbi for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. The Company does not hedge our exposure to foreign currency risk using financial instruments.

Changes in Accounting Policies including Initial Adoption

The Company's unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the consolidated financial statements of the Company for the year ended December 31, 2014. These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards have been omitted or condensed. The International Accounting Standards Board (IASB) has published new standards and amendments or interpretations to existing standards which are mandatory for periods beginning after December 31, 2014, or later as outlined below.

New standards not yet adopted

IFRS 9 - Financial Instruments

In July 2014, the IASB issued IFRS 9 - Financial Instruments, which replaces the earlier versions of IFRS 9 (2009, 2010, and 2013) and completes the IASB's project to replace IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 includes a logical model for classification and measurement of financial assets; a single, forward-looking 'expected credit loss' impairment model and a substantially reformed approach to hedge accounting to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Earlier adoption is permitted. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 - Revenue from Contracts with Customers, which supersedes IAS 18 - Revenue, IAS 11 - Construction Contracts and other interpretive guidance associated with revenue recognition. IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with customers to determine how and when an entity should recognize revenue. The standard also provides guidance on whether revenue should be recognized at a point in time or over time as well as requirements for more informative, relevant disclosures. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 with earlier adoption permitted. The Company is currently evaluating the impact of IFRS 15 on its financial statements.

Amendments to IAS 1 - Presentation of Financial Statements

In December 2014, the IASB issued Amendments to IAS 1 - Presentation of Financial Statements. The objective of the amendments was to facilitate improved financial statement disclosures and should not require any significant change to current practices. The Company intends to adopt the amendments in its financial statements for the annual period beginning on January 1, 2016. The Company is currently evaluating the impact of Amendments to IAS 1 on its financial statements.

Business Risks

Going concern risk

These consolidated financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. During the three months ended March 31, 2015, the Company incurred a net loss of $1,397,328 and negative cash flow from operations of $819,830. The Company has incurred significant losses as it develops and expands its operations. Revenues have not been sufficient to cover all costs and may not be sufficient for several quarters, if at all. The Company anticipates that it will incur further losses in the development of its business.

To date the Company has funded the losses with private placements and loans from related parties. To the extent that the Company does not achieve positive cash flows from operations in the future or financing is not available or not available on reasonable terms, reductions in expenditures will be required or the Company may not be able to continue as a going concern. These conditions raise substantial doubt about the ability of the Company to continue as a going concern. If the Company is unable to continue as a going concern, then the carrying value of certain assets and liabilities would require revaluation to a liquidation basis, which could differ materially from the values presented in these financial statements.

Operations in PRC

The Company has two operating subsidiaries located in the PRC, and as such the repatriation of cash to the United States and Canada may be restricted by government policies.

Customer concentration risk

We derive a significant portion of our revenue from sales to a relatively limited number of customers. If any of our more significant prospective customers fail to purchase our solutions or our existing customers discontinue their relationship with us for any reason, our revenue may be substantially reduced. To mitigate this risk, we have implemented customer retention programs to emphasize both quality of product and superior customer service. Our sales programs also address a large base of potential customers and at any given time, we are pursuing a significant number of sales opportunities.

Sales risk

Our sales efforts target medium sized and large corporations and we spend significant time and resources educating prospective customers about the features and benefits of our solutions. Our sales cycle usually ranges from 3 to 12 months and sales delays could cause our operating results to vary. The Company balances this risk by continuously assessing the condition of our sales “pipeline” and making the appropriate adjustments as far in advance as possible. Our strategy also includes a comprehensive program to build and improve relationships with our customers to better understand their needs and proactively manage incoming business levels effectively.

Product acceptance risk

Our revenue and profit potential depends substantially upon market acceptance of our products. To mitigate the risk of non-acceptance by the market, our strategy involves ongoing significant investments in product development to enhance our product line and to develop new applications and features to satisfy the increasingly sophisticated demands of our customers. We also ensure our investments in this area are based on a thorough understanding of the market and customer demands through a comprehensive program of market research and customer interaction. Our success depends on the ability of our products to interface with host computer systems and to respond to changes in these

systems. In many cases the needs of our customers require us to make significant custom modifications to our products. Our success will depend upon our ability to efficiently undertake and complete such customization, in most cases, under a fixed price arrangement.

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with IFRS.

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Because of the inherent limitations in a cost-effective control system, any control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will prevent or detect all misstatements, due to error or fraud, from occurring in the consolidated financial statements.

Other

As of the date of this MD&A, the Company has 11,418,735 common shares issued and outstanding. In addition there are 17,000,000 special warrants which may converted to common shares for no additional consideration, 599,035 warrants which may be converted to one common share each for CAD$1.80 which expire on March 16, 2016 and stock options to purchase an additional 105,400 common shares. The Company also has restricted share units which allow employees and directors to acquire a total of 713,611 common shares over the next four years for no additional consideration.

Additional information and other publicly filed documents relating to the Company are available through the internet on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR"), which can be accessed at www.sedar.com.