STANS ENERGY CORP.

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FORM 51-102F1
INTERIM MANAGEMENT'S DISCUSSION & ANALYSIS

This management's discussion and analysis ("MD&A") relates to the financial condition and results of operations of Stans Energy Corporation together with its owned subsidiaries, as of November 28, 2014 and is intended to supplement and complement Stans Energy Corporation's unaudited interim condensed consolidated financial statements for the interim period ended September 30, 2014 and the notes thereto. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Statement on Forward Looking Information included with this MD&A and to consult Stans Energy Corporation's audited consolidated financial statements for the 2013 year-end and corresponding notes to the financial statements which are available on SEDAR website at www.sedar.com. The September 30, 2014 unaudited interim condensed consolidated financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with IAS 34 "Interim Financial Reporting as issued by the International Accounting Standards Board. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as at and for the nine months ended September 30, 2014, as well as our outlook.

This section contains forward-looking statements and should be read in conjunction with the risk factors described in "Risk Analysis". In certain instances, references are made to relevant notes in the consolidated financial statements for additional information.

Where we say "we", "us", "our", the "Company" or "Stans", we mean Stans Energy Corporation or Stans Energy Corporation and/or one or more or all of its subsidiaries, as it may apply.

Cautionary Statement on Forward-Looking Information

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.
Forward-looking statements relate to future events or future performance and reflect management the Company's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Accordingly, readers should not place undue reliance on forward looking statements.

Description of the Business

Stans was incorporated on September 26, 2005 under the laws of the Province of Ontario. The Company is engaged in the business of the acquisition and development of mineral deposits such as uranium, molybdenum, vanadium, beryllium, and rare earth metals in the Kyrgyz Republic. Stans owns five operating subsidiaries, SevAmRus CJSC ("SevAmRus), a 99 % owned subsidiary incorporated under the laws of the Russian Federation; Didim Inc. (Didim), a wholly owned subsidiary of SevAmRus and incorporated under the laws of the Russian Federation, Stans Energy KG LLC, ("Stans KG"), Kutisay Mining LLC, ("Kutisay"), and Kashka REE Plant Ltd., each of which is registered with the Ministry of Justice of the Kyrgyz Republic. Kutisay and Kashka are 99.9% owned by Stans.

Stans' common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol HRE. Stans' common shares are also listed on the OTCQX market under the symbol HREEF.

The head office, principal address and records office of the Company are located at 8 King St. East, Suite 205, Toronto, Ontario, M5C 1B5.

Currently Stans is focused on the exploration and development of its mineral projects and as such it has no sources of operating revenue and continues to operate at a loss. Operating losses are expected to continue until such time as revenue generation from operating activities commences at commercial levels.

Operating losses and operating cash flow of Stans are affected by various factors, including regulatory compliance, the level of exploration activity and capital expenditures, general and administrative costs, and other discretionary costs and activities. Stans is also exposed to fluctuations in currency exchange rates, political risks, and varying levels of taxation that affect losses and cash flow. Stans seeks to manage the risks associated with its business operations; however, many of the factors affecting these risks are beyond the Company's control.

Corporate Developments

Management

On September 3, 2013, Stans announced the resignation for health reasons of its President and Chief Executive Officer. Rodney Irwin, Chairman of Stans, was appointed acting President and CEO. In December 2013, the Company's Chief Financial Officer Anna Kuranova took a medical leave, and on January 6, 2014, advised the Company that she would not be returning. She was replaced by Boris Aryev, the Company's Chief Operating Officer as interim CFO. On June 4, 2014, Elena Masters was appointed as the Chief Financial Officer replacing Boris Aryev in his interim role. Ms. Masters was previously Stans Energy's CFO from December 2009 through February 2012.

Mineral Properties

Licenses to the prospecting/exploration rights in the Kyrgyz Republic as of the date of this discussion:

- Kyzyluraan
- Kargysh
- Aktyuz

Kutessay II and Kalesay Mining Licences

On December 29, 2009, the Company acquired a mining license for the formerly producing REE mine, Kutessay II, in Kyrgyzstan. The Company acquired 100% of the Kutessay II and Kalesay beryllium deposits by acquiring 100% of OSC "Kutisay Mining" by Government auction on the Central Asian Stock Exchange for USD $863,550 (CAD $898,524). The only assets owned by OSC "Kutisay Mining" were licenses. There were no known other assets or liabilities. Thus, the purchase price of USD $863,550 (CAD $898,524) was allocated to mineral properties as USD$828,447 (CAD$861,999) to Kutessay II and mineral property and USD$35,103 (CAD$36,525) to Kalesay. The Company also paid $26,359 in legal fees, the amount of which was proportionally allocated between the two licenses. Stans Energy KG then re-registered OSC "Kutisay Mining" as it's fully owned subsidiary "Kutisay Mining LLC".

During 2010, the Kyrgyz Republic Ministry of Natural Resources (MNR), reviewed and reissued mining licences for the Kutessay II and Kalesay deposits, previously purchased by Stans Energy Corp. via auction from the public company, OSC "Kutisay Mining". The details of these licences are as follows:

Stans Energy owns a 20-year mining licence for both Kutessay II and Kalesay with the expiry date December 21, 2029. Within these licences, the Kyrgyz Republic MNR, now known as the State Agency on Geology and Mineral Resources (SGA), is to review each project's progress at defined interim stages regulated by the each respective licensing agreement. In September 2010, the MNR issued the licensing agreement No. 2, the title of the review period for Kutessay II and Kalesay, to December 2011 - a period chosen by the council to allow Stans the necessary time to complete a feasibility study for Kutessay II, and develop a better understanding of the region's mining potential. As of June 2012, Stans Energy signed a new Licence Agreement #3 within the Company's existing mining licence, which is valid through 2029.

All outstanding project development and construction are on hold due to the injunction filed by the State Prosecutors Office of Kyrgyzstan in May 2013. The injunction blocks any communication between Stans Energy's local subsidiary; Kutisay Mining LLC., and the State Agency for Geology and Mineral Resources of Kyrgyzstan (SGA) in furtherance of development at the site of Kutessay II. As part of the Company's ongoing obligations to satisfy conditions of Licence Agreement #3, dated June 15, 2012, Stans Energy is required to submit the completed Design and Engineering Reports for state approval. The current injunction prevents the Company from delivering the reports. Once approved by the SGA these documents would form the basic elements of the feasibility study.

On November 3, 2014, the SGA notified through its licencing committee notified Kutisay Mining LLC that it was revoking the licences for Kutessay II and Kalesay properties.

See "**Legal Update**" below.

<u>Aktyuz ore field exploration licence</u>

In January 2010, the Company acquired an exploration license for USD$1,000 for the REEs Aktyuz Ore Field ("AOF"), which surrounds the acquisitions of the mining licenses for the past-producing REEs mine, Kutessay II, and the Kalesay Beryllium deposit. The approximate 40 Sq. km exploration license completely covers the known REEs mineralized zones surrounding Kutessay II. Each identified mineralized horizon exhibits REE mineralization at the surface. On June 24, 2013, Stans Energy Corp received the extension of the licence for the Aktyuz Ore field.

The following important facts relate to the Aktyuz Ore Field:

1. The Aktyuz Ore Field is comprised of 5 rare earth mineralized zones, consisting of Kutessay I, Kutessay II, Kutessay III, Aktyuz, and Kuperlisai.
2. The Aktyuz deposit was first mined for lead in the 9th to the 12th century.
3. The Aktyuz deposit was mined from underground for lead, zinc, silver, tin and copper from 1942 to 1946.

4. The Aktyuz deposit saw limited REE underground mining for REE's from 1946 to 1951 before Kutessay II was put into production.
5. Surface exploration for REE only on Kutessay I, Kutessay III, and Kuperlisai.

Kashka Rare Earth Plant

Production Program for 2014 comprised:

1. Installation of indoor power supply for 6kV powerline for Plants #2 and #3
2. Major equipment repair and renovation for loading stations for Plants #2 and #3
3. Repair and renovation of buildings at Plant #2, namely loading docks
4. Procurement of specialized equipment for repair works
5. Design of Plant #2 process flow diagram and boiler house for steam supply.

The plant is currently on care and maintenance program.

The number of employees engaged in restoration works from January through June 2013 amounted to 67 people. As of July 1, 2013 a reduction in staffing resulted in 39 lay-offs leaving 28 persons employed at KRP.

As of November 1, 2014 staffing levels have been further reduced at KRP to 9 people, plus 22 security personnel on contract basis.

Exploration and Development Activities in 2014

Kutessay II

Feasibility study.

Information Research Centre LLC (IRC) in association with the Russian Scientific Research Institute of Chemical Technology (VNIIHT) successfully developed and tested a process flow sheet for milling of Kutessay II ore, including two-stage gravity preparation with concentrate finishing employing flotation. The recommended flow sheet achieved 65% TREE recovery and a minimum 5% TREE content of concentrate. VNIIHT has successfully tested a contained, environmentally friendly process for extracting thorium, radium and fluorine from Kutessay II RE concentrates. VNIIHT's new cracking method yielded a greater recovery of REs from historical concentrates – 95% at the impurity removal stage, and 93% at the nitrate creation stage. The final product of these tests was a 98% pure combined RE Oxide (REO) nitrate solution.

On February 26, 2014, Stans Energy Corp. announced that the Federal Service for Technical and Export Control of the Russian Federation ("FSTEC") had granted a special export licence to the Company. This special export licence allows for the export and use of key cracking technology by Stans, which was developed by VNIIHT.

Technical experts at both KRP and VNIIHT are continuing to optimize the engineering for the required flow sheet for the cracking facility, which is planned to be the new Plant #1 at KRP. Final report is scheduled for delivery by the end of 2014. The Company has received the final volume of the Main Separation Report from VNIIHT. These technological solutions for separation of individual metals will be refined through research conducted by Didim Inc.

On November 3, 2014, the SGA notified through its licencing committee notified Kutisay Mining LLC that it was revoking the licence for Kutessay II.

Kyzyluraan

In 2013 our focus for Kyzyluraan was on conducting representative sampling on the Kyrgysh mineralization and metallurgical milling tests of the sampled ore. Additional prospecting was conducting on the property consisting of: 10.2 ln. Km prospecting, 1032.7 m3 of trenching, 917 samples, 380 m^3 of new roads.

On June 27, 2014 the Company announced that the State Agency for Geology and Mineral Resources of the Kyrgyz Republic ("SGA"), approved the first Company submission to separate the Kargysh mineralization zone from its Kyzyluraan Field Prospecting Licence.

The Company had also filed a submission to the SGA requesting to reduce the size of its Kyzyluraan Field Prospecting licence from 252.82 sq. km to 124.19 sq. km. This reduction of the prospecting area would substantially reduce the annual licencing fees paid by the Company to the SGA. This is in line with the Company's ongoing cost reduction efforts in its' Kyrgyz operations. No approval has been provided by the SGA at this time.

Kargysh

The SGA issued to Stans Energy KG a licence for subsoil use with in the Kargysh Ore Occurrence of the Kyzyluraan area for geological exploration of vanadium, molybdenum and uranium for three years until June 16, 2017. The size of the new exploration licence area is 701 hectares.

For further information please refer to the *Legal Update* Section.

Aktyuz Mine.

Based on the historical records Stans Energy conducted exploratory drilling on possible rare earth mineralized zones under the historic Aktyuz mine. The 2011 exploration program was inconclusive. More detailed research of the historical documentation is required. No field exploration took place in 2012, 2013, and Q1-Q3 Q2 2014.

Aktyuz Ore Field.

Stans completed 2011 surface exploration work, and built a computerized model using 2010 and 2011 results and historic data. An application for the extension of the Aktyuz Orefield licence was submitted to the State Agency for Geology and Mineral Resources in December 2011. The prospecting licence was extended as of June 24, 2013. Limited prospecting work was undertaken in Q1 – Q3 2014. Licence No. 2512 is valid through December 31, 2015.

Summary of activities for the period ended September 30, 2014

During the period ended September 30, 2014, exploration and development expenditures totalled $79,807 and were spent on analytical and geological work related to Kyzyluraan and Aktyuz mineral properties. The Company also paid licence fees for Aktyuz $377 and Kyzyluraan $27,373.The Company also incurred $126,796 fee for work on technical report for Kutissay II project.

A summary of material components of exploration and evaluation expenditures for the year ended December 2013 and for the period ended September 30, 2014 is as follows:

	Kyzyluraan		Kargysh		Aktyuz		Kutessay II		Kalesay		Total	
	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13	30-Sep-14	31-Dec-13
Opening Balance	-	2,682,065	-	-	-	1,862,142	-	2,220,508	-	377,732	-	7,142,447
Additions:												
Mine work	-	-	-	-	-	-	-	-	-	22,864	-	22,864
Licence fee	**27,373**	-	-	-	**377**	-	-	-	-	-	**27,750**	-
Lab work	-	-	-	-	-	-	-	-	-	-	-	-
Analytical work	**9,738**	21,904	-	-	**4,796**	21,904	-	17,246	-	-	**14,534**	61,055
Drilling	-	-	-	-	-	-	-	70,491	-	-	-	70,491
Geological work	-	-	-	-	**65,273**	-	-	12,881	-	-	**65,273**	12,881
Design and survey work	-	91,293	-	-		91,293	-	774,942	-	-	-	957,528
Other	-	-	-	-	-	-	**126,796**	94,399	-	-	**126,796**	94,399
Total additions:	**37,111**	113,197	-	-	**70,446**	113,197	**126,796**	969,959	-	22,864	**234,354**	1,326,095
Foreign exchange translation	-	223,143	-	-	-	223,143	-	266,086	-	45,265	-	855,889
Impairment	**(37,111)**	(3,223,535)	-	-	**(70,446)**	(2,198,483)	**(126,796)**	(3,456,552)	-	(445,861)	**(234,354)**	(9,324,431)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

Summary of material components of quarterly exploration expenditures and development

	2012				2013			2014
	Q4 $	Q1 $	Q2 $	Q3 $	Q4 $	Q1 $	Q2 $	Q3 $
Explorations rights/licenses	-	-	-	-	-	-	-	-
Mining licenses	-	-	-	-	-	-	15,010	12,740
Exploration and evaluation expenditures and overhead capitalized into exploration licenses	63,397	15,263	43,569	98,585	170,768	9,738	-	70,069
Development and evaluation expenditures and overhead capitalized into mining licenses	301,105	26,309	924	708,696	236,159	-	-	126,796
Write off /Impairment	(246,824)	-	-	(7,836,201)	(406,927)	(9,738)	(15,010)	(209,605)

Legal Update

The Company's subsidiaries are involved in a number of material and immaterial claims in Kyrgyzstan which have created risks or uncertainties to the Company's business.

All outstanding project development and construction is on hold due to the injunction filed by the General Prosecutors Office of Kyrgyzstan. The injunction blocks any communication between Stans Energy's subsidiary, Kutisay Mining LLC, and the State Agency for Geology and Mineral Resources of Kyrgyzstan. As part of the Company's ongoing obligations to satisfy conditions of Licence Agreement #3, dated June 15, 2012, Stans Energy is required to submit completed design and engineering reports for Kutessay II for state approval, which the current injunction prevents the Company from doing. Once approved by the State Agency for Geology and Mineral Resources these documents would form the basic elements of the feasibility study.. Further to the Company's previous staff reductions in 2013, a full operational review has been undertaken to streamline work functions at its subsidiaries. This resulted in further reductions of staffing levels of the Kyrgyz subsidiaries.

Notably:

- The General Prosecutor's Office of Kyrgyzstan took action against the State Agency for Geology and Mineral Resources seeking to invalidate the process of awarding the mining licence to Kutisay Mining OSC. The injunction preventing interaction between the State Agency for Geology and Mineral Resources and Kutisay Mining LLC stems from this court case. In March 2014, the Inter-District Court of Bishkek had ruled in favour of the General Prosecutor's Office with respect to its claim regarding Stans' wholly owned Kutessay II project. On July 30, 2014 the Bishkek City Court ruled in favour of the Kyrgyz General Prosecutor's Office to annul the 2009 Minutes of Negotiations (registration No. 1736-H-09.

- A petition to the Kyrgyz Supreme Court was filed after the Bishkek City Court ruling. On November 3, 2014 the Licencing Committee of the SGA notified Kuitsay Mining LLC, Stans' subsidiary that the licences for Kutesay II and Kalesay had been revoked. Subsequently the Supreme Court advised that the City Court ruling would remain in effect until the December 23, 2014 hearing of the Supreme Court. Notwithstanding the appeal to the Supreme Court, Kutisay Mining has filed a claim against the revocation by the SGA to the Inter-District Court of Bishkek. The first hearing is scheduled for December 8, 2014.

- In June 2013, the Company commenced arbitration against the Kyrgyz Chemical and Metallurgical Plant ("KCMP") seeking up to USD $4,300,000 in damages for losses with respect to breach of contractual deliveries concerning the Kashka Rare Earth Processing plants that were purchased from KCMP in 2011. This arbitration follows unsuccessful efforts to negotiate secure delivery of all of the contracted deliverables. Stans Energy asserts that KCMP mis-disclosed and has failed to deliver assets of significant monetary value that were part of the contract deliveries The claim was declined by the Arbitration Court and the matter is now under review in the civil court.

- On March 31, 2014 Stans Energy was informed that the Arbitration Court at the Moscow Chamber of Commerce and Industry (the "Tribunal") had upheld its jurisdiction on the matter between Stans and the Kyrgyz Republic. The Kyrgyz Republic had put forth a claim that the Court had no jurisdiction in deciding the case brought against it by the Company. The court ruled that it did in fact have jurisdiction over the matter and set the final hearings in the case over two days: April 29-30, 2014.

- On April 30, 2014 the Tribunal concluded its final hearings in the matter between the Company and the Kyrgyz Republic. In this matter the Court has ruled in favour of the Stans Energy Corp

- On June 30, 2014 the Tribunal awarded USD $118,206,056.80 for recovery by the Company.
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- On July 2, 2014, Stans sent a detailed proposal for resolution to representatives of the Kyrgyz Republic. No formal response was received by the Company.
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- On July 9, 2014, the Company sent a voluntary payment request addressed to Prime Minister Otorbaev of the Kyrgyz Republic. Since no formal response to the request has been received by the Company, its' legal team continues to finalize the required submission documents to proceed with collection of damages as awarded by the Tribunal.
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- On August 6, 2014 The Ministry of Economy of the Kyrgyz Republic formed a new Interdepartmental Commission to study proposals made by the Company as part of the negotiation process. To date this Commission has not provided any response or guidance to the Company.
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- October 10, 2014 a 10-day emergency Mareva Injunction was received by the Company in the Ontario Court of Justice. This injunction prohibits the Kyrgyz Republic and Kyrgyzaltan JSC ("KJSC") from selling disposing, exchanging, assigning, transferring, pledging or encumbering 47,000,000 shares in the capital of Centerra Gold ("Centerra"), a TSX listed company. The order also prohibits Centera or its transfer agent from issuing share certificates in respect of the arrested Shares.
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- On October 24, 2014 the Ontario Court of Justice extended the Mareva injunction indefinitely until the collection matter between Stans and the Kyrgyz Republic is resolved in Ontario Courts. The Kyrgyz republic can file for leave for the arrest with 10 days' notice. Stans Energy is represented by Bennett

Jones and Baker Makenzie is representing Kyrgyzstaltyn and the Kyrgyz Republic.

- On October 29, 2014 an appeal was heard by the Ontario Courts regarding the ownership of Kyrgyz Republic foreign assets by Sistem Muhendislik. A final decision is being prepared in the matter regarding whether or not Centerra shares can be seized by parties with claims against the Kyrgyz Republic.

- In March 2014 the Kyrgyz Republic has made a filing to the Economic Court of the Commonwealth of Independent States (the "Economic Court") seeking a decision on the interpretation of Section 11 of the Moscow Convention as well. The Economic Court provided its ruling on September 23, 2014. This ruling is not enforceable as a legal ruling even within the Commonwealth of Independent States ("CIS"). It is not binding on the Tribunal or the on courts outside the CIS either.

Impairment

The Company considers both quantitative and qualitative factors to assess impairment. Since early 2013, the Kyrgyzstan Government and the Company have been involved in a legal dispute with respect to its Kutessay and Kalesay exploration licenses.

In 2013, the Company determined that there were indicators of impairment for its Exploration and Evaluation Assets and Property, Plant and Equipment and other assets in Kyrgyzstan. The indicators of impairment result from the political uncertainty in Kyrgyzstan, the current economic uncertainty and the downturn in the mining industry in particular, the depressed prices for rare earth and other elements, the legal challenges the Company is facing with respect to its Kutessay and Kalesay exploration licenses and the Company's decision to significantly reduce future exploration expenditures until there is greater certainty with respect to the Company's legal situation in Kyrgyzstan and the economy improves.

As a result, the Company in accordance with IAS 36, Impairment of Assets, recorded an impairment of $18,857,551 for the year ended December 31, 2013, which included $9,324,431 relating to its interests in the Kyzyluraan, Aktyuz, Kutessay II and Kalesay properties; $7,695,899 relating to the Kashka Rare Earth Processing Facility; and write off of $1,837,221 in prepaid expenses and other assets. During the period ended September 30, 2014, the Company recorded an additional impairment of $387,652 which included $234,354 relating to its interests in the Kyzyluraan property and $153,298 relating to the Kashka Rare Earth Processing Facility.

Since 2012, the Kyrgyzstan Government has taken a series of measures making it impossible to carry out activities at Kutessay II. In March 2013, the General Prosecutor's Office of the Kyrgyz Republic (SPO) filed a statement of claim against the State Agency for Geology and Mineral Resources of the Kyrgyz Republic (SGA) to invalidate the process by which Stans acquired the mining license for Kutessay II. Subsequently, the Inter-district Court of Bishkek issued an injunction dated April 15, 2013, which bars the SGA and its officials from taking actions related to the execution and/or extension of the Company's licenses for Kutessay II and Kalesay projects. These actions are aimed to impede the Company from executing its responsibilities under its license and have actually created conditions for termination of the operations of Kutisay Mining LLC, the Company's wholly owned subsidiary. As a result the Company has curtailed the further exploration and development of all of its Mineral Properties in Kyrgyzstan until there is greater legal certainty.

The Kashka Rare Earth Processing Facility was acquired in 2011 and is being modernized and recommissioned to process rare earth elements from the Kutessay II, Kalesay and other mineral properties in Kyrgyzstan. Given the Company's current inability to further develop its Kutessay II, Kalesay and other mineral properties and the inability to date to identify a feasible alternate source of rare earth elements that could be processed at this facility, it is expected that this Kashka will remain idle for an indefinite period.

Mineral properties and deferred expenditures by property

Licenses to exploration and mining rights in the Kyrgyz Republic as of September 30, 2014:

	Balance at January 1, 2014	Changes in the period		Impairment (Note 7)	Balance at September 30, 2014
		Additions	Foreign exchange translation		
Kyzyluraan	$ -	37,111	-	(37,111)	$ -
Kargysh	-	-	-	-	-
Aktyuz	-	70,446	-	(70,446)	-
Kutessay II	-	126,796	-	(126,796)	-
Kalesay	-	-	-	-	-
	$ -	234,354	-	(234,354)	$ -

Licenses to exploration and mining rights in the Kyrgyz Republic as of December 31, 2013:

	Balance at January 1, 2013	Changes in the period		Impairment	Balance at December 31, 2013
		Additions	Foreign exchange translation		
Kyzyluraan	$ 2,682,065	220,075	321,395	(3,223,535)	$ -
Aktyuz	1,862,142	113,197	223,143	(2,198,482)	$ -
Kutessay II	2,220,508	969,959	266,086	(3,456,553)	$ -
Kalesay	377,732	22,864	45,265	(445,861)	$ -
	$ 7,142,447	1,326,095	855,889	(9,324,431)	$ -

General Financial Condition

As at September 30, 2014, the Company had a cash balance of $479,862 (December 31, 2013 - $559,163) and short-term investments of $1,176,186 (December 31, 2013 - $4,702,678) to settle current liabilities of $248,675 (December 31, 2013 - $237,791). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

A summary of selected financial information for the periods ended September 30, 2014 and 2013 is as follows:

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Interest and Sundry Income	**$ 3,960**	$ 14,950	**$ 29,448**	$ 56,884
Total Expenses	**(1,198,004)**	(19,833,928)	**(3,611,627)**	(21,135,160)
Net loss after tax attributed to common shareholders	**(1,280,010)**	(19,201,361)	**(3,664,833)**	21,135,160
Total Assets	**2,234,857**	7,499,093	**2,234,857**	7,499,093
Cash flows used in operations	**(821,530)**	(933,265)	**(2,705,201)**	(3,869,778)
Loss per share (basic and diluted)	**$ 0.01**	$ 0.12	**$ 0.02**	$ 0.13

Results of Operations

The results of operations reflect the impairment loss provision the Company determined during 2013 (see "Impairment"). General and administrative costs can be expected to increase or decrease in relation to the changes in the Company's activities. As at September 30, 2014, the Company had not recorded any revenues from its projects.

Results of Operations for the Nine months ended September 30, 2014

The Company incurred a net loss for the nine months period ended September 30, 2014 of $3,582,179 as compared to a net loss of $21,078,276 in the prior year. Explanations for the decrease in loss of $17,496,097 from 2013 are explained below:

- provision for impairment loss of for the nine months period ended September 30, 2013 of $8,250,840 relating to its interests in the Kyzyluraan, Aktyuz, Kutessay II and Kalesay properties, $7,836,201 relating to the Kashka rare earth element processing facility, and write off of $1,544,512 in prepaid expenses related to mineral properties and Kashka plant, and various consumables, in comparing to impairment loss of $387,652 recorded in 2014.
- during the nine month ended September 30, 2014, foreign exchange loss was $130,707 as compared with a foreign exchange gain of $835,342 during the same period of 2013. The large gain in 2013 is related to translation of net monetary assets denominated in foreign currencies to the CAD dollar due to CAD dollar being stronger as at September 30, 2014.
- a decrease of $973,553 in salaries and benefits for the nine months period ended September 30, 2014 as comparing to the same period in 2013, due to a significant decrease in personnel in Kyrgyzstan and Canada, and due to an 2013 compensation and termination benefits paid (for the laid off employees in Kyrgyzstan and retired President and CEO severance pay of $446,000).
- a decrease of $162,737 in share based compensation expense
- an increase of $77,414 in other office and admin costs attributable to larger amount of charitable donations and maintenance costs;
- a decrease of $28,267 in leasing costs.
- a decrease in maintenance and other costs of $320,107.
- a decrease of $6,646 in promotion and advertising, and shareholder communication expenses;
- an increase of $288,876 in consulting and professional fees due to the increase in legal costs in relation to Kyrgyzstan operations, and other professional fees.

Results of Operations for the quarter ended September 30, 2014

The Company incurred a net loss for the three months period ended September 30, 2014 of $1,194,044 as compared to a net loss of $19,833,928 in the prior year. Explanations for the decrease in loss of $18,639,884 from 2013 are explained below:

- provision for impairment loss of for the three months period ended September 30, 2013 of $8,250,840 relating to its interests in the Kyzyluraan, Aktyuz, Kutessay II and Kalesay properties, $7,836,201 relating to the Kashka rare earth element processing facility, and write off of $1,544,512 in prepaid expenses related to mineral properties and Kashka plant, and various consumables, in comparing to impairment loss of $228,538 recorded in Q3-2014.
- during the three month ended September 30, 2014, foreign exchange loss was $15,602 as compared with a foreign exchange loss of $510,426 during the same period of 2013.
- a decrease of $529,014 in salaries and benefits for the three months period ended September 30, 2014 as comparing to the same period in 2013, due to a significant decrease in personnel in Kyrgyzstan and Canada, and due to an Q3 - 2013 compensation and termination benefits paid (for the laid off employees in Kyrgyzstan and retired President and CEO severance pay of $446,000).
- a increase of $34,893 in share based compensation expense due to higher new options issued in Q3-2014 as comparing to 2013.
- an decrease of $12,891 in other office and admin costs
- a decrease in maintenance and other costs of $134,798.
- a decrease of $5,965 in promotion and advertising, and shareholder communication expenses;
- an increase of $28,656 in consulting fees and decrease of $69,714 in professional fees

The following table sets forth a breakdown of material components of the office and administration costs of the Corporation for the two periods ended:

	Three month period ended		Nine month period ended	
	September 30, **2014**	September 30, 2013	September 30, **2014**	September 30, 2013
Salaries and other employee benefits	**$ 338,004**	$ 867,018	**$ 1,085,986**	$ 2,059,539
Travel	**59,603**	106,644	**208,355**	250,241
Rent	**39,198**	41,143	**116,225**	144,492
Promotion and advertising	**7,434**	19,645	**12,434**	46,500
Investors' relations	**33,910**	15,734	**57,089**	29,669
Other office and administration expenses	**108,750**	121,731	**312,611**	237,197
	$ 586,899	$ 1,171,915	**$ 1,792,700**	$ 2,767,638

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters:

	2012, $			2013, $				2014, $
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Interest Income	68,220	11,683	30,251	14,950	28,101	9,757	15,731	3,960
Expenses:								
Stock-based compensation	582,686	206,733	141,497	50,572	54,418	70,668	79,932	85,465
Write off / Impairment loss	246,824	-	-	17,631,553	1,049,069	144,038	15076	228,538
Operating Expenses	1,126,445	522,266	415,786	2,166,753	1,320,507	1,002,064	1,101,845	884,001
Net Loss for the period	**2,133,737**	**613,692**	**615,596**	**19,201,361**	**2,237,051**	**1,207,013**	**1,181,122**	**1,194,044**
Loss per share (basic and diluted)	**$ 0.010**	**$0.000**	**$0.000**	**$0.120**	**$ 0.014**	**$ 0.020**	**$ 0.010**	**$ 0.010**

This summary of quarterly results should be read in conjunction with the financial statements and notes included in the Company's annual report.

Related Party Transactions

During the interim period ended September 30, 2014, the Company expensed $82,688 (nine months ended September 30, 2013 - $12,450) in consulting fees to a director and officers of the Company (included in the table below). These transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related party).

The remuneration awarded to Directors and to senior key management is as follows:

	Three month period ended		**Nine month period ended**	
	Sept. 30, 2014	Sept. 30, 2013	**Sept. 30, 2014**	Sept. 30, 2013
Salaries, officers and directors fees	**$ 115,003**	$ 158,363	**$ 317,478**	$ 749,229
Termination benefit	**$ -**	$ 446,000	**$ -**	$ 446,000
Stock-based compensation	**83,796**	$ 5,739	**$ 225,044**	$ 235,085
	$ 198,798	$ 610,102	**$ 542,522**	$ 1,430,314

Disclosure of Outstanding Share Data

As at September 30, 2014, and as of the date of this Discussion, the following is a description of the outstanding equity securities and exercisable securities previously issued by the Company:

(a) Issued - common shares

	Number of shares	**Amount**
Balance, December 31, 2012	157,263,986	$ 43,110,033
Balance, December 31, 2013	157,263,986	$ 43,110,033
Balance, September 30, 2014 and November 28, 2014	**157,263,986**	**$ 43,110,033**

(b) Warrants

7,567,568 warrants exercisable into one common share with an exercise price of $2.25 (recorded fair value $5,136,989) and 908,108 warrants exercisable into one common share with an exercise price of $1.85 (recorded fair value $945,340) have expired on April 28, 2013.
A summary of the status of the common share purchase warrants with the expiry date of April 28, 2013 and changes during the year ended December 31, 2013, the period ended September 30, 2014, and as of the date of this Discussion is as follows:

	September 30, 2014 And November 28, 2014	**December 31, 2013**
Balance, beginning of period	$ -	$ 8,475,676
Expired	-	(8,475,676)
Balance, end of period	$ -	$ -

(c) Stock options

As of the date of this Discussion the continuity of stock options is as follows:

	Number of options		Weighted average exercise price
Balance at January 1, 2013	14,423,333	$	0.90
Granted	1,500,000		0.18
Cancelled/Expired	(3,933,333)		1.13
Balance at December 31, 2013	**11,990,000**	**$**	**0.81**
Granted (i)	2,700,000		0.07
Cancelled (ii)	(300,000)		0.94
Granted (iii)	800,000		0.13
Granted (iv)	300,000		0.18
Balance at September 30, 2014 and November 28, 2014	**15,490,000**	**$**	**0.63**

(i) On March 3, 2014, the Company granted 2,700,000 stock options to directors and officers with the vesting period of 18 months. Each option entitles the holder to purchase one common share at $0.07 per share at any time on or before March 3, 2019. The fair value of these stock options of $171,131 was estimated at the grant date based on the Black-Scholes pricing model.
(ii) On April 6, 2014, 300,000 stock options issued to the Company officer were cancelled due to an officer resignation on January 6, 2014.
(iii) On June 3, 2014, the Company granted 800,000 stock options to a director and an officer with the vesting period of 18 months. Each option entitles the holder to purchase one common share at $0.13 per share at any time on or before June 3, 2019. The fair value of these stock options of $92,338 was estimated at the grant date based on the Black-Scholes pricing model
(iv) On July 8, 2014, the Company granted 300,000 stock options to its director, with the vesting period of 18 months. Each option entitles the holder to purchase one common share at $0.18 per share at any time on or before July 8, 2019. The fair value of these stock options of $46,360 was estimated at the grant date based on the Black-Scholes pricing model.

Proposed Transactions

The board of directors of the Company is not aware of any proposed transactions involving proposed asset or business or business acquisition or disposition which may have an effect on financial conditions, results of operations and cash flows.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance finance arrangements.

Commitments

The Company is committed to pay approximately $6,900 per month for the lease of its corporate office.

	2014	2015	2016	2017	**Total**
Operating leases	$20,367	$82,800	$82,800	$48,300	**$234,267**

Liquidity and Capital Resources

The activities of Stans are financed through the completion of equity offerings involving the sale of securities which generally include private placements and rights offering with the shareholders of Stans.

As at September 30, 2014, Stans had a net working capital of $1,873,036 (December 31, 2013 - $5,403,556) comprised of cash and cash equivalents, consumables, accounts receivable, prepaid expenses and accounts payable and accrued liabilities.

Stans does not generate revenue from operations and any significant improvements in working capital would result from the issuance of share capital. During the period ended September 30, 2014, there were no cash proceeds from the issue of share capital.

In November 2014, Stans Energy Corp. arranged a non-brokered private placement unit offering of up to $2-million to be sold on a best-efforts basis. The offering consists of up to 20 million units at a price of $0.10 per unit. Each unit will consist of one common share in the capital of the company and one-half of one share purchase warrant. Each warrant will be exercisable to acquire one additional common share of the company for a period of 24 months at a price of $0.15 per common share, subject to acceleration under specified market conditions. Stans intends to use the gross proceeds from the offering to finance the legal costs associated with the company's enforcement of the $118-million (U.S.) award and for general corporate purposes.

Financial Instruments and Financial Risk Factors

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the financial objectives, policies and processes for the period ended September 30, 2014.

<u>Credit risk</u>

Credit risk relates to cash and cash equivalents, accounts receivable and arises from the possibility that any counterparty to an instrument fails to perform. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. As at September 30, 2014, the Company’s maximum exposure to credit risk was the carrying value of cash and cash equivalents, accounts receivable.

The Company has no significant concentration of credit risk arising from operations. The Company’s cash and cash equivalents are either on deposit with one of highly rated banking groups in Canada or invested in guaranteed investment certificates issued by one of highly rated Canadian banking groups. Amounts receivables consist of sales tax receivable from government authorities in Canada, Kyrgyzstan and Russia. Management believes that the credit risk with respect to financial instruments included in cash, cash equivalents and amounts receivable is remote.

<u>Liquidity risk</u>

The Company’s exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company had a cash balance of $479,862 (December 31, 2013 - $559,163) and short-term investments of $1,176,186 (December 31, 2013 - $4,702,678) to settle current liabilities of $248,675 (December 31, 2013 - $237,791). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

Market risk

a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the banks. The Company does not have any interest bearing debt.

b) Foreign Currency Risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. Transactions related to the Company's exploration and acquisition activities are mainly denominated in United States dollars ("USD") and some in SOM and Rubles. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rate.

The Company has not entered into any derivative contracts to manage this risk. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period-end exchange rates.

At September 30, 2014, the Canadian dollar ("CDN") equivalent of the Company's financial instruments is as follows:

		Canadian Dollar
Cash	$	166,963
Prepaid expenses and other receivables		390,501
		557,464
Accounts payable and accrued liabilities		(172,394)
Net assets (liabilities) exposure	$	385,070

Based on the above net exposures at September 30, 2014, a 10% depreciation or appreciation of the above currencies against the CDN dollar would result in an increase or decrease, respectively, in our net loss by $32,454 (December 31, 2013 - $33,940).

Fair Value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. The carrying amounts for cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities on the Statements of Financial Position approximate fair value because of the limited term of these instruments.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The book values of cash, other receivables, other financial assets, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.

Outlook

Although economic conditions in the financial market appear to have made a modest recovery, it remains difficult under current economic conditions to secure debt or equity financing for same companies and in particular for junior resource companies. The Company's near-term goal continues to be to preserve its cash resources by minimizing operating costs. The Company will continue to review strategic acquisitions and/or partnership opportunities that may become available, and will carefully monitor market conditions in relation to the resumption of planned exploration programs on other key properties.

If the current market conditions persist for an extended period of time, and current legal issues are not resolved, there can be no assurance that additional funding will be available to the Company or if available, that this funding will be on acceptable terms.

Critical Accounting Policies, Estimates and Accounting Changes

Critical Accounting Policies and Estimates

Stans' accounting policies are described in Note 3 to the consolidated 2013 annual financial statements. The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Accounting Changes

In May 2011, the IASB issued the following suite of consolidation and related standards, all of which are effective for annual periods beginning on or after January 1, 2013.

IFRS 10 "Consolidated Financial Statements" ("IFRS 10"), which replaces parts of IAS 27, "Consolidated and Separate Financial Statements" ("IAS 27") and all of Standing Interpretations Committee ("SIC") 12 "Consolidation – Special Purpose Entities", changes the definition of control which is the determining factor in whether an entity should be consolidated. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company determined there was no significant impact on the Company's concolidated financial statements.

IFRS 11 "Joint Arrangements" ("IFRS 11"), which replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers", requires a venturer to classify its interest in a joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its assets, liabilities, revenue, and expenses, and/or its relative share thereof. For a joint venture, the joint venturer will account for its interest in the venture's net assets using the equity method of accounting. The application of this standard does not have any impact on the Company's financial statements.

IAS 28 “Investments in Associates and Joint Ventures (2011)” (“IAS 28 (2011)”) was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investments in associates, it now also addresses joint ventures that are to be accounted for by the equity method. The application of the equity method has not changed as a result of this amendment. The Company determined no significant impact on the Company’s consolidated financial statements.

IFRS 12 “Disclosure of Interests in Other Entities” (“IFRS 12”) is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, and structured entities. This standard carries forward the disclosures that existed under IAS 27, IAS 28 and IAS 31, and also introduces additional disclosure requirements that address the nature of, and risks associated with an entity’s interests in other entities. The Company determined no significant impact on the Company’s consolidated financial statements.

Future Changes in Accounting Policies

The following standard has been issued but is not yet effective:

In November 2009, the IASB issued IFRS 9, “Financial Instruments”, and in October 2010, the IASB published amendments to IFRS 9. In November 2013, the IASB issued a new general hedge accounting standard, which forms part of IFRS 9 “Financial Instruments”. The new standard removes the 1 January 2015 effective date of IFRS 9. The new mandatory effective date will be determined once the classification and measurement and impairment phases of IFRS 9. The Company does not intend to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2014.

In May 2013, the IASB issued IFRIC 21, “Levies”. This IFRIC is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively. The Company intends to adopt IFRIC 21 in its financial statements for the annual period beginning January 1, 2014. The extent of the impact of adoption of the amendments has not yet been determined.

Report on Internal Control over Financial Reporting and Disclosure Controls and Procedures

In contrast to the Certificate required under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificate filed by the Company with the Annual and Interim Filings on SEDAR at www.sedar.com.
Management believes that based upon the evaluations and actions taken to date, reasonable assurance can be provided that there is no material misstatement of the financial results reported as of September 30, 2014.

Business Risks, Uncertainties and Going Concern

The Company currently conducts all of its operations in the Kyrgyzstan. Accordingly, operations are exposed to various regulations pertaining to its business and to various levels of political, economic, legal and other uncertainties associated with doing business in Kyrgyzstan.

The Company is in the development stage and is subject to the risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to, dependence on key individuals and successful exploration and development. The application of going concern is dependent upon the Company's ability to attain commercial production and generate future profitable operations.

Substantial expenditures are required to establish reserves, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. The financing required to achieve this exceeds the Company current financial resources. In the absence of cash flow from operations, Stans relies on capital markets to fund its exploration and evaluation activities. There can be no assurance that adequate funding will be available for those purposes when required.

Development of Stans' resource properties will only continue upon obtaining satisfactory results of properties' assessments. Mineral exploration and development involves a high degree of risk and may not be developed into a producing mine. The long-term profitability of Stans' operations will be in part directly related to the cost and success of its exploration and subsequent evaluation programs, which may be affected by a number of factors. These factors include the particular attributes of the mineral deposits including the quantity and quality of the Uranium and Rare Earth Elements, proximity to, or cost to develop, infrastructure for extraction, financing costs, mineral prices and the competitive nature of the industry. Also of key importance are governmental regulations including those relating to prices, taxes, royalties, land tenure and use, the environment and the importing and exporting of minerals. The effects of these factors cannot be accurately predicted, but any combination of them may result in the Company not receiving an adequate return on invested capital.

Mining Industry
Mining operations generally involve a high degree of risk. Stans operations are subject to the hazards and risks normally encountered in the exploration, development and production of Uranium and Rare Earth Elements, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The development project has no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the mineral body, expected recovery rates of minerals, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of Uranium and REEs.

No Revenues
To date, Stans has not recorded any revenues from operations nor has Stans commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that Stans will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of the properties. The Company expects to continue to incur losses

unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the property will require the commitment of substantial resources to conduct time consuming development. There can be no assurance that Stans will generate any revenues or achieve profitability.

Dependence on Outside Parties
Stans has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the Uranium and Rare Earth Elements from the minerals and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Licenses and Permits, Laws and Regulations
Stans could encounter regulatory and/or permitting delays. Stans utilizes its best efforts to ensure timely application for any government permits necessary for carrying out its business in Kyrgyzstan. However, its past ability to obtain all necessary permits in the timely fashion is not a guarantee of future results as events like bureaucracy, minor changes in legislation and even government holidays that are beyond Stans'control could substantially impede the timing of receiving essential permits and delay or stall Stans' exploration efforts.

Key Personnel
The Company is depending on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. On September 3, 2013, Robert Mackay, President and CEO, was forced to resign due to health reasons. Rodney Irwin, Chairman of the Board, stepped in as Interim CEO and President, until a suitable replacement candidate can be selected.

Industry Risk
Stans' ability to continue funding its exploration program and possible future profitability is directly related to uranium and REE market prices. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of Stans. The level of interest rates, the rate of inflation, the world supply of and demand for mineral commodities, and exchange rate stability can all cause significant price fluctuation. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political development. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Stans' business, financial condition and results of operations.

Share Price Volatility
In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

Shareholders' Interest in the Company may be Diluted in the Future
The Company will require additional funds for its planned activities. If Stans raises additional funding by issuing equity securities, such financing could substantially dilute the interests of its Shareholders. Sales of substantial amounts of common shares or the availability of securities for sale, could adversely affect the prevailing market prices for the Company's Common Shares. A decline in the market prices of Common Shares securities could impair the ability of the Company to raise additional capital through the sale of new common shares should Stans desire to do so.

The Corporation will do its best to minimize these business risks by employing management, technical staff and consultants with extensive industry experience; maintaining a low cost structure; maintaining prudent financial practices; controlling timing and magnitude of operating and capital costs; and maintaining insurance in accordance with industry standards.

Country of Operation Risks

Distorted economy of Kyrgyzstan
Kyrgyzstan is a predominantly agricultural economy, however state revenues are heavily dependent on gold export. Therefore gold price fluctuations and/or drop in output can trigger substantial declines in GDP, and cause rapid fluctuations in purchasing power parity, interest rates, tax regime, foreign exchange, etc. The purchasing power volatility can result in mismatch between estimated and actual operating expenditures of Stans and its subsidiary.

Political instability
There has been a high turnover in key government positions and the cabinet of Kyrgyzstan in the past years. On the one hand, this turnover is indicative of a transition to a more representative and competitive political system with a greater diversity of views and platforms. On the other hand, inconsistency of the political direction may have an adverse effect on the progress of regulatory, fiscal and other institutional reforms. Political issues and instabilities could also impact the Company's licenses, properties, and work programs. Furthermore, the timing of the Company's work progress may be adversely affected as additional efforts may be required to accommodate those regulatory changes and additional business costs may be triggered.
See also "Legal Update" above.

Approval

The Board of Directors of Stans Energy Corp. has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.