



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 August 28, 2015 and is intended to supplement and complement Stans Energy Corporation's unaudited interim condensed consolidated financial statements for the interim period ended June 30, 2015 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 2014 year-end and corresponding notes to the financial statements which are available on SEDAR website at www.sedar.com. The June 30, 2015 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 period ended June 30, 2015, 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 in the Kyrgyz Republic and Russia. Stans owns five subsidiaries, SevAmRus CJSC (“SevAmRus”), a 99 % owned subsidiary incorporated under the laws of the Russian Federation; Didim Inc. (Didim), a 99 % 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 a 99 % owned subsidiary of Stans Energy KG LLC and Kashka is a wholly owned subsidiary of Stans Energy Corp.

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.

Mineral Property

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

- Kargysh

Kargysh

The SGA issued to Stans Energy KG a licence for subsoil use within 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.

Kyzyluraan

In 2013 our focus for Kyzyluraan was on conducting representative sampling on the Kargysh 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 m³ 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, and Company filed for return of license back to the State. SGA approved this request effective March 13, 2015.

Aktyuz ore field exploration licence

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.

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. As result of the designation of the significant area of the license as a National Park a very limited prospecting work was undertaken in 2014. Numerous requests of the Company to remove the restrictions went unanswered and in April 2015 Company filed for return of the Licence No. 2512 (valid through December 31, 2015) back to the State. The licence was annulled by SGA effective May 13, 2015.

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".

On November 3, 2014, the State Agency on Geology and Mineral Resources of the Kyrgyz Republic (the "SGA"), through its Licencing Committee, notified Kutisay Mining LLC that it was revoking the licences for Kutessay II and Kalesay properties.

See "**Legal Update**" below.

Kashka Rare Earth Plant (the "KRP")

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 a 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.

In 2015, staffing levels have been further reduced at KRP to 12 people, plus 12 security personnel on contract basis.

Summary of activities for the period ended June 30, 2015

During the period ended June 30, 2015, there were no exploration and development activities. During the period ended June 30, 2015, the Company paid \$13,501 annual mining licence fee for Kyzylruaan and Aktyuz fieds which were annulled during the period ended June 30, 2015..

A summary of material components of exploration and evaluation expenditures for the years ended December 31, 2014 and 2013 are as follows:

	Kyzylruaan		Kargysh		Aktyuz		Kutessay II		Kalesay		Total	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-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	36,856	-	-	-	1,511	-	-	-	-	-	38,367	-
Lab work	-	-	-	-	-	-	-	-	-	-	-	-
Analytical work	5,972	21,904	57,727	-	9,396	21,904	-	17,246	-	-	73,095	61,055
Drilling	-	-	-	-	-	-	-	70,491	-	-	-	70,491
Geological work	-	-	-	-	63,026	-	-	12,881	-	-	63,026	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:	42,828	113,197	57,727	-	73,934	113,197	126,796	969,959	-	22,864	301,285	1,326,095
Foreign exchange translation	-	223,143	-	-	-	223,143	-	266,086	-	45,265	-	855,889
Write off of 2014 expenditures	(42,828)	-	(57,727)	-	(73,934)	-	(126,796)	-	-	-	(301,285)	-
Impairment in 2013	-	(3,223,535)	-	-	-	(2,198,483)	-	(3,456,552)	-	(445,861)	-	(9,324,431)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

Summary of material components of quarterly exploration expenditures and development

	2013				2014				2015	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Explorations rights/licenses	-	-	-	-	-	-	-	-	-	-
Mining licenses/ annual fees	-	-	-	15,010	12,740	10,617	-	-	-	13,501
Exploration and evaluation expenditures and overhead capitalized into exploration licenses	98,585	170,768	9,738	-	68,656	57,727	-	-	-	-
Development and evaluation expenditures and overhead capitalized into mining licenses	708,696	236,159	-	-	126,796	-	-	-	-	-
Write off/Impairment	(7,836,201)	(406,927)	(9,738)	(15,010)	(208,192)	(68,344)	-	-	-	(13,501)

Legal Update

The Company and 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 Court Decisions in favour of the General Prosecutors Office of Kyrgyzstan and Kutessay-II and Kalesay licenses expropriation. Further to the Company's previous staff reductions in 2013, more reductions were carried out through 2014 to streamline work functions at its subsidiaries and have continued through 2015

Notably:

- In March 2013, 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 license 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 April 2013, the Company notified the General prosecutor that it would launch an international arbitration claim if the courts in Kyrgyzstan would not quickly resolve the matter. No court actions were reached until March 2014, when 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. At the end of March 2015 the Supreme Court dismissed Company's appeal in this case.
- 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 Kutisay Mining LLC, Stans' subsidiary that the licenses for Kutessay 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. On December 8, 2014 the Inter-District Court ruled to dismiss the appeal. On December 24, 2014, Stans Energy appealed the December 8th Decision to the Bishkek City Court. On January 27, 2015 the Bishkek City Court ruled to leave the decision in effect and it's subject to further appeals to the Supreme Court of the Kyrgyz Republic. Stans maintains the right to appeal for a year period from the date of the last decision.
- 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.
- In October 2013, Stans Energy commenced international arbitration proceedings against the Kyrgyz Republic for its expropriatory and unlawful treatment of the Company in relation to the Kutessay II rare earth project. The claim was made to the International Arbitration Tribunal at the Moscow Chamber of Commerce and Industry (the "MCCI Tribunal"). The claim was seeking USD\$117,853,000 in compensation for losses and damage.
- The arbitration was brought by Stans and its' subsidiaries under the Convention for the Protection of Investor's Rights to which Kyrgyzstan is a signatory. Hearings commenced in Q2 2014.
- In this case, expropriatory is used to mean legislative action or administrative action or omission attributable to the host government which has the effect of depriving the holder (Stans) of a guarantee

of its ownership of or control of, or a substantial benefit from; its investment. Stans claimed that it had suffered actual deprivation of its right to carry out subsoil activity by way of actual deprivation of its license which entitles it to carry out such activity. Stans has been deprived of its control over its investments and future income by actions of General Prosecutors Office of the Kyrgyz Republic and parliamentary members of the Jogorku Kenesh, the Parliament of the Kyrgyz Republic, and other associated Kyrgyz Republic Government agencies.

- In March 31, 2014 Stans Energy was informed that the MCCI 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.
- In March 2014 the Kyrgyz Republic 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 MCCI Tribunal or the on courts outside the CIS.
- On April 30, 2014 the MCCI 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 Stans Energy Corp
- On June 30, 2014 the MCCI Tribunal awarded USD \$118,206,057 for recovery by the Company.
- 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.
- 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.
- 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.
- 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 Centerra or its transfer agent from issuing share certificates in respect of the arrested Shares.
- 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. Stans Energy is represented by Bennett Jones and Baker Makenzie is representing Kyrgyzsaltyn and the Kyrgyz Republic.
- On January 7, 2015 the Company reported that the Ontario Superior Court of Justice had granted KJSC leave to appeal the decision of the Court continuing Stans’ Mareva injunction dated October 24, 2014. The decision to grant leave does not set aside the *Mareva* injunction granted to Stans on October 10, 2014, and continued by the Court on October 24, 2014. Stans anticipates that the appeal to the Ontario Divisional Court will be heard in May 2015. This leave to appeal does not impact the

Company's ongoing preparations for filing for recognition of the Award and asset seizure of Centerra Gold shares currently under arrest.

- On January 28, 2015, the Company reported that Bennett Jones, its attorneys in Canada, have served and filed the Company's application record in support of its application for an order of the Ontario Superior Court of Justice recognizing and enforcing the US\$ 118 million award of the MCCI Tribunal.
- On February 2, 2015, Stans reported that the Moscow City Arbitrazh Court combined two separate ongoing challenges brought by the Kyrgyz Republic in Moscow. This hearing was held regarding the Kyrgyz Republic's appeal of the decision on March 31, 2014 of the MCCI Tribunal regarding its jurisdiction in hearing the Company's international arbitration proceedings. Furthermore another hearing was to be held on February 12, 2015 where the Kyrgyz Republic was seeking to set aside the verdict of the MCCI from June 30, 2014. These two cases have been combined into one and a judgment was expected to be issued in late April 2015.

On April 29, 2015, the Moscow City Arbitrazh Court announced an oral decision in the Kyrgyz Republic's case against the Company. The Company understands that the Moscow City Arbitrazh Court ordered that the MCCI decision in favour of Stans in its' arbitration claim against the Kyrgyz Republic be set aside on procedural grounds.

- On May 14, 2015, the Company announced that it had served notice that it had commenced a new arbitration proceeding against the Kyrgyz Republic under United Nations Commission on International Trade Law ("UNCITRAL") guidelines. The Company is currently preparing the required submission documents to proceed with the claim.
- On May 15, 2015, the Ontario Divisional Court heard arguments by Kyrgyzaltyn JSC, on behalf of the Kyrgyz Republic seeking to remove the Mareva Injunction freezing approximately 47 million Centerra Gold shares (TSX: CG), that the Company had arrested as security in its pursuit of claiming the US\$118 million award of the MCCI. As of June 11, 2015, the Mareva injunction has been lifted, leaving Stans with no encumbrance on Centerra Gold shares and/or dividends.
- On June 26, 2015 Stans retained new counsel for the recognition and enforcement of the MCCI award, appointing Torys LLP as lead counsel in Ontario, and subsequently appointing Freshfields Bruckhaus Deringer ("Freshfields") as lead counsel for the new UNCITRAL arbitration proceedings. Freshfields will begin preparations for the UNCITRAL process, however will only proceed if the recognition and enforcement of the MCCI award is not accepted by the Ontario Court of Justice.
- On July 23, 2015 the Moscow Regional Arbitrazh Court denied Stans' appeal of the Moscow City Arbitrazh Court setting aside the verdict of the MCCI. Despite the setting aside of the verdict within the Russian Federation, Torys LLP continues to prepare submission documents including arguments demonstrating a lack of due process afforded to Stans in its cases before the CIS Economic Court and Moscow City and Regional Arbitrazh Courts.
- No date has been set for award recognition and enforcement by the Ontario Court of Justice.

Impairment in 2013

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 year ended December 31, 2014, the Company recorded an additional expenditures expense on impaired mineral properties and the Kashka plant of \$1,120,546 which included \$724,502 relating to the impaired Kashka Rare Earth Processing Facility, \$174,488 relating to its interests in the impaired Kyzyluraan, Aktyuz, Kutessay II and Kalesay properties, and \$221,566 in prepaid expenses and other assets.

During the period ended June 30, 2015, the Company recorded \$13,501 in additional expenditures on impaired mineral properties.

The Kashka Rare Earth Processing Facility was acquired in 2011 and was being modernized and re-commissioned to process rare earth elements. 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

License to exploration and mining rights in the Kyrgyz Republic as of June 30, 2015:

	Balance at January 1, 2015	Changes in the period		Impairment	Balance at June 30, 2015
		Additions	Foreign exchange translation		
Kyzyluraan (annulled 2015)	\$ -	12,953	-	(12,953)	\$ -
Aktyuz (annulled 2015)	-	548	-	(548)	-
Kargysh	-	-	-	-	-
	\$ -	13,501	-	(13,501)	\$ -

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

	Balance at January 1, 2014	Changes in the period		Impairment	Balance at June 30, 2014
		Additions	Foreign exchange translation		
Kyzyluraan	\$ -	24,372	-	(24,372)	\$ -
Kargysh	-	-	-	-	-
Aktyuz	-	377	-	(377)	-
Kutessay II	-	-	-	-	-
Kalesay	-	-	-	-	-
	\$ -	24,748	-	(24,748)	\$ -

Licenses to exploration and mining rights in the Kyrgyz Republic as of December 31, 2014:

	Balance at January 1, 2014	Changes in the period		Expensed expenditures on Impaired properties	Balance at December 31, 2014
		Additions	Foreign exchange translation		
Kyzyluraan	\$ -	42,828	-	(42,828)	\$ -
Kargysh	-	57,727	-	(57,727)	-
Aktyuz	-	73,934	-	(73,934)	-
Kutessay II*	-	126,796	-	(126,796)	-
Kalesay*	-	-	-	-	-
	\$ -	301,285	-	(301,285)	\$ -

*On November 3, 2014 the Licencing Committee of the SGA revoked the licences for Kutessay II and Kalesay.

General Financial Condition

As at June 30, 2015, the Company had a cash balance of \$88,517 (December 31, 2014 - \$176,699) and short term investments of \$10,000 (December 31, 2014 - \$Nil) to settle current liabilities of \$924,068 (December 31, 2014 - \$203,442). 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 period ended March 31, 2015 and March 31, 2014 is as follows:

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest Income	\$ 1,155	\$ 15,731	\$ 2,026	\$ 25,488
Gain (loss) on disposal of Property, Plant and Equipment	\$ (12)	\$ -	\$ 821	\$ -
Gain on disposal of impaired assets	\$ 56,755	\$ -	\$ 64,420	\$ -
Other revenue	\$ 203	\$ -	\$ 2,046	\$ -
Total Expenses	\$ (1,134,700)	\$ (1,196,853)	\$ (1,855,674)	\$ (2,413,623)
Net loss after tax attributed to common shareholders	\$ (1,076,379)	\$ (1,180,507)	\$ (1,785,324)	\$ (2,384,823)
Total Assets	\$ 326,469	\$ 3,525,882	\$ 326,469	\$ 3,525,882
Cash flows used in operations	\$ (666,745)	\$ (1,125,563)	\$ (995,206)	\$ (1,883,671)
Loss per share (basic and diluted)	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.02

Results of Operations

As at June 30, 2015, the Company had not recorded any revenues from its projects.

Results of Operations for the six month period ended June 30, 2015

The Company incurred a net loss for the six months period ended June 30, 2015 of \$1,786,361 as compared to a net loss of \$2,388,135 in the prior year. Explanations for the decrease in loss of \$601,774 are explained below:

- Additional expenditures on impaired assets for the six months ended June 30, 2014 amounted to \$159,114, and for six month period ended June 30, 2015 - \$13,501.. The expenditures are relating to interests in the Kyzyluraan, Aktyuz and Kargysh properties, the Kashka rare earth element processing facility, to prepaid expenses related to impaired in 2013 mineral properties and Kashka plant, and various consumables.
- A decrease of \$342,159 in salaries and benefits for the six month period ended June 30, 2015 as comparing to the same period in 2014, due to a further decrease in personnel in Kyrgyzstan and Canada.
- A decrease of \$80,645 the office and administrative costs as the Company continues efforts to preserve the treasury.
- An increase of \$311,587 in consulting and professional fees due to ongoing litigations in 2015.
- A decrease of \$34,073 in 6M-2015 in stock-based compensation due to decrease in vested and expensed options as comparing to 6M-2014.
- A decrease of \$119,612 in foreign exchange gain due to weakening CDN dollar as comparing to other currencies.

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

	Six months ended	
	June 30, 2015	June 30, 2014
Salaries and other employee benefits	\$ 405,824	\$ 747,982
Travel	54,307	148,752
Rent	59,417	77,027
Investors' relations	66,037	28,179
Other office and administration expenses	123,216	203,861
	\$ 708,801	\$ 1,205,801

Results of Operations for the three month period ended June 30, 2015

The Company incurred a net loss for the three months period ended June 30, 2015 of \$1,076,599 as compared to a net loss of \$1,181,122 in the prior year. Explanations for the decrease in loss of \$104,523 are explained below:

- A decrease of \$123,818 in salaries and benefits for the three month period ended June 30, 2015 as comparing to the same period in 2014.
- A decrease of \$93,428 the office and administrative costs.
- An increase of \$228,953 in consulting and professional fees.
- A decrease of \$41,537 in foreign exchange gain due to weakening CDN dollar as comparing to other currencies.

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 months ended	
	June 30, 2015	June 30, 2014
Salaries and other employee benefits	\$ 205,732	\$ 329,550
Travel	29,380	100,712
Rent	27,069	38,001
Investors' relations	63,607	7,557
Other office and administration expenses	54,721	148,149
	\$ 380,509	\$ 623,969

Summary of Quarterly Results

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

	2013, \$				2014, \$		2015, \$	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Interest Income	14,950	28,101	9,757	15,731	3,960	2,571	871	1,155
Expenses:								
Stock-based compensation	50,572	54,418	70,668	79,932	85,465	58,039	36,156	80,371
Write off / Impairment loss	17,631,553	1,049,069	144,038	15076	316,214	450,304	-	13,501
Operating Expenses	2,166,753	1,320,507	1,002,064	1,101,845	884,001	1,190,252	674,477	983,882
Net Loss for the period	19,201,361	2,237,051	1,207,013	1,181,122	1,281,720	1,696,024	709,762	1,076,599
Loss per share (basic and diluted)	\$0.120	\$ 0.014	\$ 0.008	\$ 0.010	\$ 0.010	\$ 0.010	\$ 0.004	\$ 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 six months ended June 30, 2015, the Company expensed \$94,500 (six month period ended June 30, 2014 - \$50,688) in consulting fees to a director and officers of the Company (included in the table below). As of June 30, 2015, accounts payable of \$31,852 (December 31, 2014 - \$6,895) were due to directors and officers, and \$46,500 (December 31, 2014 - \$Nil) in payroll liability due an executive officer. 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		Six month period ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Salaries and fees	\$ 92,495	\$ 98,908	\$ 206,819	\$ 202,475
Stock-based compensation	69,701	76,713	\$ 105,857	\$ 141,248
	\$ 162,196	\$ 175,621	\$ 312,676	\$ 343,723

Disclosure of Outstanding Share Data

As at June 30, 2015, 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, 2013	157,263,986	\$ 43,110,033
Balance, December 31, 2014	157,263,986	\$ 43,110,033
Shares issued in private placements (i)	10,754,600	\$ 316,267
Costs of issuance of shares		(36,274)
Balance, June 30, 2015 and August 28, 2015	168,018,586	\$ 43,390,026

(b) Warrants

A summary of the status of the common share purchase warrants and changes during the period ended June 30, 2015, and the year ended December 31, 2014 and as of the date of this Discussion is as follows:

		August 28, 2015		June 30, 2015		December 31, 2014
Balance, beginning of period	\$	10,980,100	\$	-	\$	-
Issued (i)		-		10,980,100		-
Balance, end of period	\$	10,980,100	\$	10,980,100	\$	-

- (i) All outstanding warrants exercisable into one common share per a warrant with an exercise price of \$0.10 with the expiry from March 23, 2017 through June 11, 2017.

(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 December 31, 2014	15,490,000	\$ 0.63
Expired	(3,985,000)	0.31
Forfeited	(65,000)	0.60
Issued	3,650,000	0.07
Cancelled	(6,290,000)	1.26
Balance at June 30, 2015 and August 28, 2015	8,800,000	0.09

The following table reflects the actual stock options issued and outstanding as of August 28, 2015 (all options are exercisable into one common share of Stans):

Expiry date	Option price (\$)	Number of options outstanding
02-May-18	0.23	50,000
02-May-18	0.23	200,000
23-Oct-18	0.15	1,100,000
03-Mar-19	0.07	2,700,000
03-Jun-19	0.13	800,000
08-Jul-19	0.18	300,000
11-May-20	0.07	3,650,000
		8,800,000

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 office.

	2015	2016	2017	Total
Operating leases	\$41,400	\$82,800	\$48,300	\$172,500

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, and litigation financing.

As at June 30, 2015, Stans had a negative net working capital of \$(536,419) (December 31, 2014 - \$250,928) comprised of cash, VAT receivable, prepaid expenses and other assets, 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. In 2015, Stans Energy Corp. arranged non-brokered private placements for the total gross proceeds of \$546,100.

In June 2015, the Company entered into a litigation financing agreement with a subsidiary of the Calunius Litigation Risk Fund 2 LP., authorized and regulated by the Financial Services Authority as an investment adviser.

Under the terms of the litigation financing agreement, the financier has agreed to assist in the financing of Stans's legal costs and to provide financing toward continuing corporate overhead costs, in relation to the international arbitration proceedings against the Republic of Kyrgyzstan on a non-recourse basis.

In consideration for the provision of arbitration financing, Stans has agreed to pay to the financier a portion of any final settlement of the arbitration claim against the defendant. The financier's fee shall only become payable upon a final settlement of the arbitration claim and the value of the financier's fee is dependent upon a number of variables, including the value of any settlement and the length of time taken to reach a settlement. The agreement also provides that the amount of the financier's fee shall not exceed the amount of the aggregate proceeds of the arbitration claim under any circumstances.

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 June 30, 2015.

Credit risk

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 June 30, 2015, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, and VAT 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.

Liquidity risk

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 June 30, 2015, the Company had a cash balance of \$88,517 (December 31, 2014 - \$176,699) and short term investments of \$10,000 (December 31, 2014 - \$Nil) to settle current liabilities of \$924,068 (December 31, 2014 - \$203,442). 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 Kyrgyz SOM and Russian 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.

As at June 30, 2015, the Canadian dollar equivalent of the Company's financial instruments is as follows:

	Canadian Dollar
Cash	\$ 3,434
Accounts receivables	110,926
	<u>114,360</u>
Accounts payable and accrued liabilities	<u>(427,435)</u>
Net assets (liabilities) exposure	\$ (313,075)

Based on the above net exposures at June 30, 2015, 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 \$28,096 (December 31, 2014 - \$89).

At December 31, 2014, the Canadian dollar ("CDN") equivalent of the Company's financial instruments is as follows:

	Canadian Dollar
Cash	\$ 44,426
VAT receivables	44,745
	<u>89,171</u>
Accounts payable and accrued liabilities	<u>(88,928)</u>
Net assets (liabilities) exposure	\$ 243

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 some 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 2014 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 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 adopted IFRIC 21 in its financial statements for the annual period beginning January 1, 2014. The Company determined there was 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:

IFRS 9 "Financial Instruments" ("IFRS 9") introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management.

This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard 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 December 31, 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.