

August 22, 2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

SELECTED QUARTERLY FINANCIAL DATA

The following table sets out selected unaudited financial information of the Company on a

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LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2013

\$nil

Foreign currency translation

The Company uses the Canadian dollar as its presentation currency.

Revenue and expense transactions that are de

Financial Instruments and Other Instruments

The Company's financial instruments consists of cash, short term investments, accounts receivable, accounts payable and accrued liabilities, income taxes recovery and capital lease obligations. The fair values of these financial instrments approximate their carng values, except as noted below It is management's opinion that the Company is not exposed to significant interest risks. The Company's short term investments consist of investments in low risk bank certificates. A substantial portion of the