KWG RESOURCES INC.

(An exploration stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2009

This management's discussion and analysis (the "MD&A") follows rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure for reporting issuers. It is a complement and supplement to the annual and quarterly financial statements and should be read in conjunction with those statements. It represents the view of management on current activities and past and current financial results of the Company, as well as an outlook of the activities of the coming months.

DATE

This MD&A for the period ended June 30, 2009 is dated August 26, 2009.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general and the economic environment in which it operates as of the date of the MD&A. These statements are reasonable but involve a number of risks and uncertainties, and there can be no assurance that they will prove to be accurate. Therefore, actual outcome and results may differ materially from those expressed in or implied by these forward-looking statements. The risk and uncertainties are further described in this MD&A and include risks inherent to mining exploration and development of its chromite, nickel, base metal group and the diamond group properties, fluctuating prices of base metal, operating hazards and risks, management and control, title to assets, government regulation, environmental factors, land claims, and the Company's ability to raise new capital when required. The Company cautions that this list of risks and uncertainties is not exhaustive.

NATURE OF ACTIVITIES

KWG Resources Inc., ("KWG" or the "Company"), is an exploration stage company with interest in two group of properties in Ontario, Canada. The chromite, nickel, base metal group and the diamond group held by its wholly owned subsidiary, Debuts Diamonds Inc. ("DDI"). KWG has no income from production since all its properties are at the exploration stage.

RECENT DEVELOPMENTS AND OUTLOOK

KWG has redirected its strategic objective to the development of the chrome project in northern Ontario. Significant recent developments since the first quarter 2009 MD&A dated May 28, 2009 are discussed below under the following headings:

(A) **Acquisition of a 1-per-cent net smelter royalty in the Black Thor, Black Label and Big Daddy chrome discoveries in the James Bay lowlands**

(B) **Constitution of a wholly owned subsidiary, Canada Chrome Corporation**

(C) **Appointment by the Company of a Vice-President, Exploration and Development, a Director of Aboriginal and Regulatory Affairs, and a Director of Research and Planning in Chrome Canada Corporation**

(D) **Approval by Board of Directors of bonus payment to two officers of the Company totaling $500,000**

(E) **Completion of a $ 1,437,500 private placement**

(A) Acquisition of a 1-per-cent net smelter royalty in the Black Thor, Black Label and Big Daddy chrome discoveries in the James Bay lowlands

On July 22, 2009 KWG Resources Inc. completed the purchase of a 1-per-cent net smelter royalty in the Black Thor, Black Label and Big Daddy chrome discoveries in the James Bay lowlands for a cash consideration of $1,635,000 including $635,000 payable at the closing of the transaction and a further $1-million payable within one year, and the issuance of 15 million common shares and 15 million common share purchase warrants, each share purchase warrant entitling the holder to purchase a common share at a price of 10 cents for a period of five years. KWG's principal shareholder Cliffs Natural Resources (NYSE: CLF) supports the acquisition as it believes the deposits can be economically developed to supply both North American and some external markets.

The discovery of nickel in the MacFaulds Lake area in September, 2007, started KWG along a development path which KWG expects may now accelerate. Funds raised as a result of the discovery enabled KWG and joint venture partner Spider Resources, to complete the acquisition of a combined 50-per-cent interest in a nearby property optioned from Freewest Resources Canada ("Freewest"). A drilling program there was undertaken to follow up the joint venture's 2006 discovery of a high-grade chrome occurrence. This source of ferro-chrome for steel alloying is a principal ingredient in all grades of stainless steel, at a ratio of around 18 per cent or more.

Metallurgical testing of samples recovered from the discovery in early 2008 indicated that a uniquely large and high-grade deposit of ferro-chrome-yielding chromitite had been found, which might supply steelmaking markets in North America and beyond. Under the terms of the Freewest Option Agreement, KWG and its joint venture partner, Spider Resources Inc. ("Spider") may earn a 60-per-cent interest in the property optioned from Freewest by completing a feasibility study and thereafter, an additional 5 per cent by sourcing construction financing, for which the Company approached Cliffs Natural Resources ("Cliffs"). On March 27, 2009, the Company negotiated an amendment to the Freewest Option Agreement whereby the option earn-in calls for a $15 million, three-year commitment in exploration expenses. As a result of this amendment, and upon successful completion of documentation evidencing such amendment and the receipt of all required approvals, the Company would be no longer required to prepare a bankable feasibility study within 18 months, as had been called for in the 2005 agreement,. Under the amendment, KWG would have options for up to a $7.5 million commitment over the next three years, of which $2.5 million would be required to be spent before March 31, 2010. KWG, Spider and Freewest are in the process of finalizing an amended and restated option agreement that sets out the details of the option vesting period of three years, commencing March 31, 2009, and ending March 31, 2012.

Cliffs is an international mining and natural resources company. The company is the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of metallurgical coal. For almost two centuries Cliffs has been the dominant mine operator and supplier of iron ore for integrated steel production in North America and continues to be the principal operator on the Minnesota and Michigan iron ranges, two of the hemisphere's chief sources of iron. As such, the company has built and operated railways, plants, terminals and loading facilities of all description.

Cliffs accepted the Company's invitation to become a principal investor in order to participate in its development initiatives. Cliffs sought and was given KWG board representation coincident with acquiring an equity interest of slightly less than 20 per cent, plus a continuing option to increase or maintain that interest through further investment.

KWG has now acquired half of the royalty underlying its property and the adjoining property of Freewest after an independent economic analysis based on conceptual planning and market forecasts undertaken by Cliffs. The royalty is expected to yield a substantial monthly cash flow to KWG if production ensues. The North American market alone might absorb ore production of up to 4,000 tons per day. That quantity of material will require construction of a railway to transport the partly treated ore to a ferro-chrome refinery ideally located near transportation to markets and to electricity supply for the electric-arc furnaces used in the process. KWG is examining a number of location alternatives as well as the available furnace technology options.

KWG has also had preliminary discussions with the Ontario Northland Railroad to examine a possible collaboration in the construction and operation of a railway from the deposits to Nakina, where it can connect to existing rail lines. Chrome Canada Corporation has been created as a wholly owned subsidiary for the purpose of development of the mines and railway, and is undertaking pre-engineering assessment of a proposed right-of-way for the railway.

Initial indications continue to confirm the capital cost assumptions considered by Cliffs in its preliminary market sensitivity analyses, undertaken prior to the KWG investment. This analysis has been provided to the Toronto Stock Exchange for its review of KWG's application to graduate its share listing from the TSX Venture Exchange, on the basis of its interests in the deposits.

(B) Constitution of a new wholly owned subsidiary Canada Chrome Corporation

On July 15th the Company constituted a wholly-owned subsidiary under the name of ChromeCana Limited. Which name was changed on July 31, 2009 to Canada Chrome Corporation. The main objective of the new subsidiary will be to develop the Ring of Fire chromite assets into a world class producing deposit.

(C) Appointment by the Company of a Vice-President, Exploration and Development, a Director of Aboriginal and Regulatory Affairs, and a Director of Research and Planning in Chrome Canada Corporation

Maurice J. Lavigne, P. Geo, was appointed Vice-President, Exploration and Development of the Company and its subsidiary Canada Chrome Corporation. The well-known and widely published former Ontario resident geologist at Red Lake, and Thunder Bay, had key roles in expanding North American Palladium's reserves at its Lac des Iles mine and in the subsequent feasibility study, financing and plant construction. More recently, he was vice-president of Galantas Gold Corp., where as mine manager, was involved in financing and construction of a gold mine in Northern Ireland.

The Company has also appointed Robert S. Middleton, P. Eng, as Director of Aboriginal and Regulatory Affairs and R. Russell Martel as Director of Research and Planning for Canada Chrome Corporation.

(D) Approval by the Board of Directors of bonus payments to two officers of the Company totaling $500,000

On August 11, 2009 the Company's Board of Directors approved the payment of a bonus payment of $250,000 each to two officers of the Company. The amount of $250,000 was paid to Frank C. Smeenk, President, CEO and Director of the Company. An amount of $80,000 was paid to the Michael S. Harrington, Chairman and Director of the Company, the balance of $170,000 being payable within the next five years with a minimum of $20,000 per year.

(E) Completion of a $1,437,500 private placement

On August 20, 2009 the Company completed a non-brokered private placement of 20,000,000 "flow-through" units and 8,750,000 units, for total subscriptions of $1,437,500. Both "flow-through" units and units were issued at $0.05 each and comprised one common share of KWG and one common share purchase warrant exercisable at a price of $0.10 per warrant to acquire one common share for a period of five years.

Cliffs Greene B.V., an affiliate of Cliffs. in order to maintain its 19.9% equity interest in KWG, subscribed for all of the units. Directors and officers of KWG and its subsidiary Canada Chrome Corporation subscribed for $622,500 of the "flow-through" units.

The net proceeds of the proposed private placement will be used to finance the exploration work on the Freewest Option in the Ring of Fire and for working capital. The proceeds from the flow-through units will be used for eligible flow-through exploration expenses and will be renounced for the 2009 taxation year.

Outlook

Exploration Program:

During the second quarter, the joint venture established a new technical advisory committee to the joint venture, consisting of two representatives of each of KWG, Spider and Freewest. Future plans for the Big Daddy Chromite deposit project were discussed and presented to the joint venture management committee on April 16, 2009, which includes a detailed drilling proposal, where holes are proposed along the strike length of the Big Daddy chromite deposit toward the northeast at an initial section spacing of 200 metres, followed by infill as needed to 100 metres density or whatever drill space density is required to provide for NI-43-101 compliant resource estimation. The start of the summer program was delayed due to some technicalities concerning the joint-venture agreement. The drilling program should resume shortly.

OVERALL PERFORMANCE - FINANCIAL

During the second quarter ended June 30, 2009, the Company focused on its strategic planning to develop what it expects could become a North American ferro-chrome supplier deposit.

Exploration activities on the Freewest Option property were slowed down as the joint venture documents were being worked into their final forms.

As fully described in the first quarter MDA filed on May 28, 2009, Cliffs Greene B.V. proceeded on April 15, 2009 with the conversion of a US$1,033,398 debenture into units of the Company at the rate of US$0.048894 per unit resulting in the issuance of 21,135,069 units comprised of 21,135,069 common shares and 9,310,839 share purchase warrants.

LIQUIDITY & CAPITAL RESOURCES

The main source of financing for KWG is the issuance of equity shares. Each of KWG's projects has demonstrated sufficient evidence of geological merit to warrant additional exploration. However, it is not presently possible to estimate the cost of further exploration programs, which may or may not bring individual properties to a subsequent stage of development, since they are all exploration projects and their development depends on the results of exploration.

On June 30, 2009, the Company had a working capital of $ 2,896,598 ($1,294,914 as at December 31, 2008) including $3,033,913 in cash of which approximately $32,000 was reserved for exploration expenses to be made in Canada before December 31, 2009. During the second quarter, 2009 the Company raised $1.3 million with the conversion of the debenture by Cliffs Greene B.V.

The Company forecasts operating expenses of approximately $1.5 million for 2009. KWG has adequate working capital to finance its corporate and administrative activities in 2009 along with part of its planned exploration program. However, the Company will look at raising additional financing for its upcoming exploration programs.

RESULTS FROM OPERATIONS-SECOND QUARTER 2009 VS 2008

During the three-month period ended June 30, 2009 the Company incurred a loss of $ 1,883,834 ($0.1 per share) for a cumulative loss of $2,358,410 ($0.1 per share) for the six-month period ended June 30, 2009 compared to a loss of $5,673,237($0,2 per share) and cumulative loss of $6,104,284 ($0,2 per share) for the respective periods of 2008).

The second quarter loss includes an increase in administrative expenses of $682,328 in administrative expenses compared 2008.

The period results are explained as follows:

Income

Interest and other income amounted to $14,026 (cumulative of $17,191 for the six-month period ended June 30, 2009) compared with $25,610 (cumulative of $70,229) in 2008 due mainly to lower interest rates in 2009.

Expenses

Administrative Expenses

During the three-month period ending June 30, 2009 administrative expenses amounted to $910,000 (cumulative of 1,390,064 for the six-month period ended June 30, 2009) compared with $227,672 and a cumulative of $364,110 in 2008. The main components of the variance of $682,928 are due to the following.

In the second quarter an aggregate amount of $435,000 was paid to certain directors and officers of the Company with approximately $25,000 in related employer contributions upon the closing of the Cliff Natural Resources private placement as described in the Company's first and second quarter Consolidated Financial Statements and the first quarter MDA.

The Company's wholly owned subsidiary Debuts Diamonds Inc. which became reporting issuer in Ontario in late 2008, incurred administrative and corporate expenses amounting to $64,008 during the quarter compared to $45,747 in 2008.

Salaries increased by $27,350 and consulting fees by $119,340 due to greater involvement of certain officers and consultants in the reorganization of the Company, the joint-venture set-up and the Cliff Natural Resources private placement.

Corporate expenses increased by $24,175 due to increased stock exchange fees of $7,197 for the issuance of share and warrants and increased information to shareholders expenses of $13,305 in relation with the Annual and Special Meeting where . Promotion and travel expenses increased by $20,207.

Other Expenses

During the quarter, stock compensation costs amounted to $11,270 (cumulative of $40,736 for the six-month period ended June 30, 2009) ($86,971 and cumulative $308,510 in 2008). No stock options were granted during the second quarter of 2009, explaining the decrease in the expenses compared to 2008 whereas 588,100 options were granted in the second quarter for a cumulative 2,979,700 options granted over the six first month of 2008. Therefore the 2009 expense only includes the vesting of option granted in previous years in accordance with the Company's vesting policy.

The Company recorded a $660,000 non-cash expense relating to the extension of 56,149,248 warrants expiry dates for a three year period (average cost of $0.011 per warrant based on the Black-Sholes financial model).

During the quarter, the Company incurred a loss on exchange of $315,711 as the US dollar lost 8.0% against the Canadian dollar. In 2008, the Company did not carry any US currency.

During the quarter, there was no write-off of mining assets (cumulative of nil $ for the six-month period ended June 30, 2008) whereas in 2008, the quarter loss included a write-down of mining assets of $5,383,821 (cumulative as at June 30, 2008 of $5,499,886) following the independent valuation assessment of the diamond properties which was performed due to the transfer of those properties to the Company's wholly owned subsidiary Debut Diamond Inc..

SUMMARY OF QUARTERLY RESULTS

(Thousands of dollars, except amount per share)

Quarter	Total income ($)	Loss ($)	Loss per share (basic and diluted) ($)
June 30, 2009	14	(1,883)	<(0.01)
March 31, 2009	3	(474)	<(0.00)
December 31, 2008	87	(4,695)	<(0.02)
September 30, 2008	54	(333)	<(0.00)
June 30, 2008	25	(5,673)	<(0.02)
March 31, 2008	45	(431)	<(0.00)
December 31, 2007	25	(492)	<(0.01)
September 30, 2007	3	(219)	<(0.00)

COMMITMENT

Pursuant to flow-through financing agreements closed during the year ended December 31, 2008, the Company had to incur $369,808 in Canadian exploration expenses by December 31, 2009 of which approximately $335,000 had been incurred as at June 30, 2009.

RELATED PARTY TRANSACTIONS

Related party transactions occurred in the normal course of business and were recorded at the exchange value, reflecting the consideration determined and agreed to by the parties. In 2009, officers and directors of the company and companies controlled by officers charged consulting fees totalling $72,156 (June 30, 2008 (unaudited) - $24,522) of which $nil (June 30, 2008 (unaudited) - $3,187) remained payable at June 30, 2009 (note 16 (c)).

CHANGES IN ACCOUNTING POLICIES

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted the Section 3064 “Goodwill and Intangible Assets” which established standards for the recognition, measurement, presentation and disclosure of Goodwill and Intangible Assets. Adoption of this standard had no effect on the interim consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

In February 2008 the Canadian Accounting Standards Board (AcSB) confirmed that the use of IFRS would be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011.

The Company has established a changeover plan to adopt IFRS by 2011. Management started the process of assessing accounting policy choices and elections that are allowed under IFRS. Management is assessing the impact of the conversion on our business activities including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls. Management will continually review and adjust the changeover plan to ensure our implementation process properly addresses the key elements of the plan.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Mining Assets: Exploration properties include rights in mining properties and deferred exploration expenses. Exploration costs are deferred until the economic viability of the project has been established, at which time costs are added to mining properties. Costs are written off when properties are abandoned or when cost recovery is uncertain. Management has defined uncertainty as either there being no financial resources available from the Company or its joint venture partners for development of a mining property over a three-year period, or results from exploration work not warranting further investment.

Impairment of long-lived assets: Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable, as identified by comparing their net book value to the estimated undiscounted future cash flows generated by their use and eventual disposal. Impairment is measured as the excess of the carrying value over the fair value, determined principally by discounting the estimated net future cash flows expected to be generated from the use and eventual disposal of the related asset. In the event that the Company has insufficient information about its exploration properties to estimate future cash flows to test the recoverability of the capitalized costs, the Company will test for impairment by comparing the fair value to the carrying amount, without first performing a test for recoverability.

Income Taxes: The Company provides for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the accounting values and tax values of assets and liabilities using substantively enacted or enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. The Company establishes a valuation allowance against future income tax assets if, based upon available information, it is more likely than not that some or all of the income tax assets will not be realized.

FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. The Company does not enter in financial instrument agreements including derivative financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Cash, accounts receivable and accounts payable and accrued liabilities are non-interest bearing.

Credit Risks

It is management's opinion that the Company is not exposed to significant credit risks.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash and accounts receivable. The Company reduces its credit risk by maintaining part of its cash in financial instruments guaranteed by and held with a Canadian chartered bank.

Foreign Exchange Risk

It is management's opinion that the Company is usually not exposed to significant foreign exchange risk has it mainly finances and operates its activities in Canadian dollars. However, since the Cliff transactions, the Company maintains some cash denominated in US dollars and therefore is exposed the US dollar fluctuation. As at June 30, 2009, the Company holds US$1,043,645 (nil as at December 31, 2008).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. As at June 30, 2009, the Company had enough funds available to satisfy its obligations under accounts payable and accrued liabilities.

In the past few years, the Company financed its liquidity needs primarily by issuing equity securities. As the Company is currently incurring operating losses, additional capital will be required to continue exploration activities on the properties.

Fair Value

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments. As at June 30, 2009, all financial instruments (cash, accounts receivable and accounts payable and accrued liabilities) have fair values which approximate their carrying values due to the relatively short period to maturity of the instruments. For temporary investments refer to note 5 of the consolidated interim financial statements.

RISKS INHERENT TO MINING EXPLORATION

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Regulation and Environmental Requirements: The activities of the Company require permits from various governmental authorities and are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, environmental protection and other matters. Increased costs and delays may result of the need to comply with applicable laws and regulations. If the Company is unable to obtain or renew licenses, approvals and permits, it may be curtailed or prohibited from proceeding with exploration or development activities.

Capital Needs: The exploration, development, mining and processing of the Company's properties will require substantial additional financing. The only current source of future funds available to the Company is the sale of additional equity capital and the borrowings of funds. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest.

Commodity Prices: The market price of the Company's common shares, its financial results and its exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base minerals.

Uninsured Risks: KWG's business is subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the KWG's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Land Title: Although KWG has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims against the KWG properties.

OTHER

i. National Instrument 51-102 - Section 5.3

Detailed analysis of exploration expenditures incurred for the six-month period ended June 30, 2009 and the year ended December 31, 2008.

Cost and deferred exploration expenses	**Six-month period ended June 30, 2009**	**Year-ended December 31, 2008**
	$	**$**
Balance – Beginning of the period	9,658,935	16,897,432
Acquisition, staking and permits	392,127	165,845
Write-down and write-off of mining assets		(1,900,130)
	392,127	(1,734,285)
Exploration expenses		
Drilling	62,424	2,051,619
Geology	213,184	-
Geophysics	48,698	391,078
Sampling	39,098	118,640
Consulting	28,551	451,672
Field preparation	3,811	5,859
Management	16,852	145,211
Line cutting and road	27,882	154,931
Camp expenses	12,000	105,914
Write-down and write-off of mining assets	-	(8,929,136)
	452,500	(5,504,212)
Balance – End of the period	10,503,562	9,658,935

ii. National Instrument 51-102 - Section 5.4

Disclosure of Outstanding Share Data (as at August 26, 2009)

Common shares outstanding: 403,468,877

Warrants and compensation options outstanding: 159,470,028

Each warrant entitles the holder to purchase one common share of the Company at the following prices:

Warrants	Compensation options	Exercise Price $	Expiry Date
-	3,886,692	0.05	October 2009
-	413,500	0.15	December 2009
-	1,412,465	0.185	December 2009
2,000,000	-	0.10	August 2010
18,475,000	1,847,500	0.05/0.10	December 2010
1,500,000	-	0.10	June 2012
1,000,000	-	0.10	July 2012
6,600,000	-	0.10	September 2012
26,476,923	-	0.10	October 2012
9,375,000	-	0.12	October 2012
4,135,000	-	0.15	December 2012
7,062,325	-	0.18	December 2012
22,224,784	-	0.06/0.13	March 2010-March 2014
9,310,839	-	0.06/0.13	March 2010-March 2014
15,000,000	-	0.10	July 2014
28,750,000		0.10	August 2014
151,909,871	**7,560,157**		

Options outstanding: 22,833,680 - average exercise price of $0.11

Number of Options	Expiry Date
517,500	April 2010
6,908,580	November 2010
300,000	April 2011
1,740,000	December 2011
2,620,000	June 2012
1,870,000	September 2012
500,000	October 2012
3,300,000	November 2012
2,000,000	December 2012
2,149,300	February 2013
588,100	May 2013
400,000	October 2013

As at the date of this report, the market value of the common share of the Company was less than the exercise prices of all outstanding warrants and stock options.

ADDITIONAL INFORMATION

Additional information on the Company is available through regular filings of press releases and quarterly financial statements on SEDAR (WWW.SEDAR.COM)