

Tiex Inc.
Form 51 – 102F1
Management Discussion and Analysis
Year Ended December 31, 2008
Amended

This discussion and analysis of financial position and results of operations is prepared as at March 20, 2009 and should be read in conjunction with the audited financial statements and related notes attached thereto of Tiex Inc.(the “Company”), for the year ended December 31, 2008, where necessary. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following management discussion and analysis (“MD&A”) are quoted in Canadian dollars.

Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS:

The Company is an exploration and development company with various gold properties in south-central British Columbia, Canada, at the heart of the Cariboo Mining Area. Tiex Inc. was incorporated on March 3, 2005 under the Business Corporations Act (Alberta) and on May 13, 2008 the Company was registered as an extra provincial company under the Business Corporation Act (British Columbia).

OVERALL PERFORMANCE:

The Company has entered into four separate property agreements involving the outright acquisition of claims that comprise a total of approximately 155,572 hectares, of which 105 claims are wholly owned by Bullion Gold Corp., the operating subsidiary of the Company. This land package covers a geological prospective mineral belt approximately 120 kilometres long by 57 kilometres wide within the Quesnel Trough.

Additionally, included in the above-noted claims, the Company acquired through staking a group of 44 mineral claims north of Prince George, BC. These mineral claims cover the same favourable geological belt as the Cariboo Property noted below and were staked in anticipation of the release of results from the \$5 million Geoscience BC mineral exploration QUEST Project. The \$5 Million project is funded by Geoscience BC with supporting funding from the Northern Development Initiative Trust. The QUEST project is a program of regional geochemical and geophysical surveys that included an airborne electromagnetic (EM) survey and an airborne gravity survey, the reanalysis of almost 5000 archived regional geochemical samples and the collection of 2200 new geochemical samples north and west of Prince George.

These 44 mineral claims were staked with private placement funding subsequent to the completion of the qualifying transaction with the Company. The Company intends to evaluate the results of the QUEST Project and based on this evaluation ascertain which of the mineral claims warrant a preliminary grassroots exploration program(s). For the purposes of the said qualifying transaction, these mineral claims are not material and a 43-101F1 report was not provided.

MINERAL PROPERTY INTERESTS:

John Edward Buckle, P. Geo., P. Geoph, the Company’s Vice President of Exploration and a qualified person as defined by National Instrument (“NI”) 43-101, has reviewed and approved the

technical information contained in this MD&A Report.

As at December 31, 2008 and the date of this Report, the Company's mineral property interests were comprised of the following:

Cariboo Goldfields Property ('the property'):

The property is comprised of 105 claims covering a total area of about 155,572 hectares, approximately 120 kilometers long by 57 kilometres wide. The property is in the Cariboo Mining Division, situated in south-central British Columbia adjacent to the village of Likely about 60 kilometres northeast of the community of Williams Lake.

The Company has forfeited fifty claims or 104,735 hectares from the original property after the review of the geophysical and geochemistry work performed this summer.

In 1859, one of the earliest recorded placer discoveries in the Cariboo region was made on the Horsefly and Quesnel river systems. By the turn of the century one of the largest placer operations in North America was in production, known as the 'Bullion' pit, near Likely where, 175,000 ounces of gold was recovered from paleochannel gravels overlying bedrock.

The Quesnel Trough represents a mineralized region which, in the area of the property, hosts a wide variety of metallic deposit types. This includes: the Mount Polley porphyry copper-gold deposit actively being mined with proven and probable reserves of 55.6 million tonnes grading 0.36% copper and 0.30 g/t gold, and the currently mined QR gold-skarn deposit with a 2006 resource (including North Zone) of 966,316 tonnes grading 6.0 g/t gold. Stratabound, gold (silver) quartz vein deposits hosted in a metasedimentary sequence of black shales, phyllites and argillites such as Spanish Mountain, Frasergold and Kusk are aggressively being explored for sedimentary hosted (gold) vein type deposits. This type of mineralization has the potential to be mined as large, bulk-tonnage deposits. The Tiex Inc. property is known to contain similar mineralogy and geological environment.

During the latter part of the 2007 field season, the Company undertook a property investigation on one of its key mineral claims located about 3 kilometres north of Likely. The target area on the claim is a small stream locally known as Gold Creek. Gold Creek, as with many of the creeks in the area, experienced limited placer activity during the late 1800s and early 1900s. Bedrock exposure located near the bottom end of the creek was mapped and sampled by the Company's geologist assisted by an experienced prospector. This exposed section is referred to as the 'Gold Creek section'. The Company's geological consultant retained to complete the 43-101 Technical Report, sampled a quartz vein along a portion of the creek bed which assayed 15.65 g/t gold.

Based on initial mapping and sampling surveys, the Gold Creek section (also the 'Gold Creek zone') is geologically interpreted as an altered sedimentary unit potentially hosting a stratabound gold bearing horizon. The section is tentatively identified as comprising of an altered sequence of volcanoclastic-tuffaceous wacke in a carbonate matrix, hosting cubic pyrite and multiphase quartz veins, some of which carry fine visible gold. Based on soils collected for pan sampling and microscope identification, the pan concentrate shows the morphology of gold grains to be very fine and coarse (wire-like) textured, indicating a local source. Also, fine, visible gold was observed in some of the quartz veins occurring with galena (lead sulphide), and as fine wire gold in oxidized-limonitic pyrite and as fine free gold along the walls of the quartz veins away from the any sulphides.

The Gold Creek zone is interpreted to occur above the stratigraphic unit which hosts the Spanish Mountain gold quartz mineralization in the black shale-argillite unit and just below the overlying thick pyroxene basaltic flows. This entire stratigraphic succession typically represents the

volcanic-sedimentary assemblage that makes up the Quesnel Trough.

The Gold Creek zone occurs within a geologic environment that has the potential of hosting a shear zone quartz vein type gold deposit. The Company recently completed both induced polarization (I.P.) and magnetometer geophysical surveys and MMI (mobile metal ion) surveys over the zone. The Company is presently conducting a 6,500 metre diamond drill program designed to test the Gold Creek zone. To date, the Company has completed 11 holes totaling 1,568.13 metres.

Drill core has been sent to a Vancouver laboratory for analysis. Quality control and quality assurance procedures have been implemented to all samples generated from the drilling program which meet or exceed C.I.M. Best Practices Guidelines and National Instrument 43-101 Standards of Disclosure.

Diamond drilling was extremely difficult in the Gold Creek area due to fractured ground. Few drill holes reached their planned depth and orientation of the drill required steep angle holes in order to minimize drill blocking and core loss. Following an analysis of lithology and Au anomaly values from the cores samples it appears that gold values were lower than anticipated.

The core loss of up to 50% makes many of the assay results unreliable. This is evidenced by the assays obtained from drill sludge samples collected from the drill return water. The Company will correct this problem for future drilling on this property by using a drill bit called a, "Face Discharge Bit", that injects cooling water directly on the diamond cutting faces instead of injecting cooling water all around the total length of the drill bit.

Reconnaissance MMI soil sampling was carried out during the 2008 exploration season along roads within two areas of the Mackay River Property area which is located 55 Km east-northeast of the village of Horsefly and 110 km east-northeast of the town of Williams Lake. The first area is located along the northeast side of the northwest-flowing Mackay River, a tributary of Horsefly River, and within which the reconnaissance lines trend in an east to southeast direction. This area is approximately 10Km northwest of the northeast side of the Frasergold Property where Hawthorne Gold has recently performed extensive exploration work. The second area occurs along the west-southwest-flowing Horsefly River where reconnaissance MMI samples were taken from sites close to roads that parallel both sides of the river.

A total of 684 samples were taken at 50 meter intervals along existing roads on the properties. 486 samples were from the Mackay River section and 198 samples were from the Horsefly River section. Analyses for 46 elements were performed by SGS Minerals Laboratories in Toronto, Ontario. The response ratios (the number times background for each geochemical element) for 10 base metal elements were calculated. The sums of response ratios were plotted at each site in order to identify those with anomalous metal contents.

Reconnaissance sampling results revealed several anomalies. **Anomaly A** is located near the northwest end of the Mackay River sampling area and is mainly comprised of gold values, up to 126 times background. The B.C. government's, "MapPlace", website, shows that the anomaly occurs within the Nicola Group sedimentary rocks and that regional geochemical surveys have found a number of sites with anomalous regional geochemistry gold values. Anomaly A can be traced for approximately 1,300 meters and is open to the west. Anomalous values are present on reconnaissance lines located two hundred meters north and four hundred meters south of the main site.

Anomaly B occurs within the Horsefly River sampling area and comprises samples that are anomalous in Silver, Zinc, Cadmium, and Copper. The underlying rocks, according to MapPlace data, are north-trending ultramafic bands, a unit of the Crooked Lake Amphibolites. These rocks are separated from the undivided metamorphic rocks of the Snowshoe Group by a thrust fault

that passes approximately 100 meters from the eastern edge of Anomaly B.

The Company plans follow-up programs of MMI sampling on 25 metre grids on both Anomaly A and Anomaly B, followed by induced polarization and resistivity surveys that should better define their magnitude and extent.

The Company cautions that the strength of MMI geochemistry is not a reliable indicator of gold mineralization nor can it be used to determine gold grade. There is no assurance that the MMI data will lead to viable gold deposits.

RESULTS OF OPERATIONS:

For the year ended December 31, 2008 the Company incurred a loss of \$489,070 or \$(0.038) per share. This compares to a loss of \$67,159 for the same period last year. The Company had no revenue for the period. With respect to the operating expenses for the year ended December 31, 2008. Accounting and auditing expense of \$44,453 for accounting and auditing services for the year and for the qualifying transaction. Office expenses and office rent of \$25,451 relate to head office expenses. Public relationship expense of \$7,491 was paid for printed material etc. regarding the qualifying transaction and short form offering document. Salaries, wages and benefits expenses of \$160,722 were paid for management, accounting and operations administrative staff. Stock based compensation of \$168,425 is the vested portion cost of the stock options at the end of the year. Transfer agent and filing fees expenses of \$17,505 were paid for trustee services. The legal fees of \$61,128 relate to the qualifying transaction and general corporate matters undertaken by the Company. Travel expenses of \$13,188 were incurred during the year.

SELECTED FINANCIAL INFORMATION:

The following selected financial information was obtained from the annual financial statements of the Company for years ended December 31, 2008 and December 31, 2007. The effect of applying the treasury stock method to the Company's loss per share calculation is anti-dilutive. Therefore basic and diluted losses per share are equal for the years presented.

For the year ended	December 31,2008	December 31,2007	December 31, 2006
a) Total Revenues	Nil	Nil	
b) (Loss) before income tax, Income tax recovery, discontinued operations and extraordinary items	\$(489,070)	\$(67,159)	\$(28,498)
c) Net (loss) for the period	\$(489,070)	\$(59,482)	\$(28,498)
d) Basic and diluted loss per share	\$(0.04)	\$(0.02)	\$(0.01)
e) Total assets	\$2,378,330	\$484,988	\$347,453
f) Total long-term financial liabilities	Nil	Nil	Nil
g) Cash dividends per share for each class of share	Nil	Nil	Nil

Summary of Results:

	<u>Gross Revenue</u>	<u>Net Loss</u>	<u>Total Assets</u>	<u>Loss per Share Basic & Diluted</u>
Q4 2008	N/A	(\$132,785)	\$2,378,330	(\$0.01)
Q3 2008	N/A	(\$127,745)	\$2,491,224	(\$0.01)
Q2 2008	N/A	(\$180,384)	\$2,819,981	(\$0.01)
Q1 2008	N/A	(\$48,156)	\$692,338	(\$0.02)
Q4 2007	N/A	(\$24,052)	\$484,988	(\$0.01)
Q3 2007	N/A	(\$10,357)	\$386,372	(\$0.01)
Q2 2007	N/A	(\$22,055)	\$342,291	(\$0.01)
Q1 2007	N/A	(\$3,018)	\$356,636	(\$0.01)

Note: The loss for the disclosed periods is caused by the amount of operating expenses incurred in the periods. The amount of the Company's operating expenses is directly related to the level of financial resources available and the exploration programs that are undertaken. The magnitude of these expenses is a direct function of general financial market conditions as well as recent exploration prospects and achievements. Up to this stage in its development, the Company has not acquired property or conducted exploration work on a medium to long term predetermined basis. Consequently, relative levels of expenditures may not be predictable and observable trends may not be meaningful.

Financing:

The Company closed on May 20, 2008 its \$2,000,000 financing pursuant to its Short Form Offering Document by the issuance of 4,444,444 Units, each Unit consisting of one Common Share of the Corporation and one-half of one common share purchase warrant (a whole common share purchase warrant is called a "Warrant"). Each Warrant is exercisable until May 20, 2010 into one common share of the Corporation at a price of \$0.70 per share.

The table below summarizes this financing:

	<u>Amount</u>
Gross proceeds from the Short Form Offering Document by issuance of Units	\$2,000,000
Less share issuance costs	<u>\$304,933</u>
Net proceeds from private placements and public financing	<u>\$1,695,067</u>

REVERSE TAKEOVER OF BULLION GOLD CORP.:

Effective May 21, 2008, the Company completed its acquisition of all the issued share capital of Bullion Gold Corp. ("Bullion") in exchange for issuing 11,804,000 common shares of the Company to shareholders of Bullion. The Company also issued 300,000 common shares as finders' fees.

As a result of the transaction, the former shareholders of Bullion own 80% of the issued and outstanding share capital of the Company upon the completion of the transaction. This

transaction constitutes a reverse take-over. Legally, the Company is the parent of Bullion, however, as a result of the share exchange described above, control of the combined companies passed to the former shareholders of Bullion. This type of share exchange, accounted for in a manner similar to that referred to as a "reverse takeover", deems Bullion to be the acquirer for accounting purposes.

The value of the 12,104,000 common shares issued pursuant to the acquisition agreement and finders' fees has been determined by the net monetary assets of the Company on the date of acquisition, May 20, 2008.

The allocation of the purchase price is as follows:

Cash	\$ 70,753
Due from Bullion	125,000
Prepaid expenses	44,965
Receivables	13,118
Accounts payable and accrued liabilities	<u>(7,051)</u>
Total allocation of purchase price	<u>\$ 246,785</u>

The consolidated financial statements for the year ended December 31, 2008 reflect the results of operations of Bullion, the legal subsidiary, prior to the reverse takeover on May 21, 2008 and the consolidated assets, liabilities and results of operations of Bullion and the Company subsequent to the reverse takeover. The Capital stock represents the authorized and issued share of the legal parent and the dollar amount of shareholders' equity is that of the legal subsidiary. These consolidated financial statements are a continuation of the financial statements of the legal subsidiary, Bullion. The comparative figures as at December 31, 2007 and for the year then ended are those of the legal subsidiary, Bullion.

TRANSACTIONS WITH RELATED PARTIES:

The amount due to related parties as at December 31, 2008 is comprised of \$62,538 (2007 - \$83,000) to a director of the Company and \$14,825 (2007 - Nil) to a company with common directors. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

During the year ended December 30, 2008, the Company entered into the following transactions with related parties:

- a) paid or accrued \$108,938 (2007 - \$Nil) in salaries and benefits to a director and an officer of the Company.
- a) paid or accrued \$50,000 (2007 - \$50,000) for a mineral property royalty advance to a director of the Company.
- b) paid or accrued \$20,500 (2007 - \$Nil) in geological consulting fees to a company controlled by a director.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS:

As at December 31, 2008 and up to the effective date of this MD&A, the Company had no material off-balance sheet arrangements, such as guarantee contracts, derivative instruments or any other obligations that trigger financing, liquidity, market or credit risk to the Company.

ACTUAL AND PROPOSED TRANSACTIONS:

In the normal course of business, the Company evaluates mineral properties for potential acquisitions or disposals which, in some instances, result in proposals being made to the Board. During the period and up to the date of this MD&A, no transactions occurred other than those disclosed above and in the Subsequent Events section.

SIGNIFICANT ACCOUNTING POLICY:

Principles of consolidation:

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bullion Gold Corp. Significant inter-company transactions were eliminated upon consolidation.

Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Mineral properties:

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Asset retirement obligations:

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived

asset is increased by the same amount as the liability.

Equipment and furniture:

Equipment and furniture are recorded at cost less accumulated amortization. Amortization is recognized using the declining balance method at the following annual rates:

Office furniture	20%
Computer equipment	30%

Stock-based compensation:

Stock options and direct awards of stock granted to employees and non-employees are recorded at fair value on the date of grant and the associated expense is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

Flow-through shares:

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The Company records a reduction in capital stock for the estimated tax benefits transferred to shareholders. When the Company renounces flow-through expenditures, a portion of the Company's future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, will be recognized as a recovery of income taxes in the statement of operations.

Income taxes:

Income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Loss per shares:

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted average number of shares outstanding during the period.

Financial instruments:

All financial instruments are classified into one of five categories: held-for-trading, held-to-

maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet either at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash and restricted cash as held-for-trading. Receivables and exploration advances are classified as loans and receivables. Reclamation deposit is classified as held-to-maturity. Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities, which are measured at amortized cost.

Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.

NEW ACCOUNTING PRONOUNCEMENTS:

Goodwill and intangible assets:

The Accounting Standards Board ("AcSB") issued CICA Handbook Section 3064, which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

International financial reporting standards ("IFRS"):

In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

The Company is currently assessing the impact of the above new accounting standards on the Company's financial position and results of operations.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS:

The Company's financial instruments consist of cash, restricted cash, receivables, exploration advance, reclamation bond, due to related parties and accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying value due to their short-term maturity of less than one year. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

OUTSTANDING SHARE DATA:

The Company has authorized an unlimited number of common shares without par value. Refer to Note 7 of the audited financial statements. As at December 31, 2008 and up to the date of the MD&A Report the Company had 19,189,459 common shares issued and outstanding. There are no other classes of shares authorized, issued and outstanding.

The Company has the following stock options and share purchase warrants outstanding at December 31, 2008 and up to the date of the MD&A Report:

	Number of Shares	Exercise Price	Expiry Date
Stock options	210,000	\$ 0.30	May 20, 2009
	50,000	0.45	May 20, 2009
	1,654,844	0.50	May 20, 2013
Agent's options	444,444	0.45	May 20, 2010
Warrants	2,224,779	0.70	May 20, 2010

INVESTOR RELATIONS:

During the period and up to the date of this MD&A the Company had not undertaken any investor relations program.

CAPITAL RESOURCES AND LIQUIDITY:

To date, the Company's activities have been funded primarily by the proceeds from private placements of the Company's securities. While it has been successful in the past, there is no assurance that the Company will be successful in obtaining future sources of funding.

As of December 31, 2008, the Company had working capital of \$489,526. It is anticipated that this amount is sufficient for the Company to meet its ongoing obligations and meet its objective.

SUBSEQUENT EVENTS:

No material subsequent events have occurred since December 31, 2008.

RISKS AND UNCERTAINTIES:

By its very nature, mineral exploration and development involves a high degree of risk. The Company competes with other mineral exploration enterprises, some of which have greater financial wherewithal, for the resources to explore and to develop its mineral concessions. These resources include qualified personnel, qualified consultants and equipment.

The Company is at risk to changes in general economic conditions and financial markets, changes in the price of oil, gas and electricity, changes to current favorable tax incentive

treatments, changes in technological, and operational hazards in the Company's exploration and development activities, uncertainties inherent in the resource development, the timing and availability of financing, governmental and other approvals, and other risk factors listed from time to time by the Company. These factors may impact upon the Company's ability to finance its programs and to carry out operations.

Mineral exploration and development involves a high degree of risk and considerable expenditures are required to substantiate the commercial viability of a mineral resource and then to develop it into profitable production.

There is no guarantee that title to the properties in which the Company has a recorded interest will not be challenged. However, management is not aware of any impediment to its ownership of these properties. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MDA, actual events may differ materially from current expectations.

FORWARD LOOKING STATEMENTS AND ESTIMATES:

Except for statements of fact related to the Company, certain statements made herein may constitute "Forward-Looking Statements". These include, but are not limited to, statements respecting anticipated business activities, planned expenditures, corporate strategies, and investigation and acquisition of new projects. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", and other similar words, or statements that certain events or conditions "may" or "will" occur. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward looking statements are based on the beliefs, opinions and estimates of management at the date the statements are made, current expectations at that date and these by their inherent nature entail various risks, uncertainties and other unknown factors. Consequently, there can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Some important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks and Uncertainties" contained immediately before this section. Therefore the reader is cautioned not to place undue reliance on forward-looking statements. Further, the Company disclaims any obligation or intention to update or to revise any forward-looking statement, whether as a result of new information, of future events, or otherwise except as may be required under applicable securities legislation.

This MD&A contains estimates regarding mineral resources. By its very nature, the estimation of resources is uncertain and involves subjective judgments about many factors. The accuracy of any such estimates is a function of the quality and quantity of available data, of the assumptions made and of the judgments used in the engineering and of the geological and of the geophysical interpretations, which may ultimately prove to be unreliable. There can be no assurance that these estimates will be accurate or that such geothermal resources can be successfully and economically exploited.

OTHER INFORMATION:

A copy of this management's discussion and analyses, the December 31, 2008 audited financial statements, and other information, is available directly from the Company

APPROVAL:

The Audit Committee of the Company has approved the disclosure contained in this year ending

December 31, 2008 MD&A.

DISCLAIMER:

The information contained within this discussion, by its very nature, is not a thorough summary of all matters and developments concerning the Company. This information should be considered with all of the disclosure documents of the company. The information contained herein is not a substitute for a detailed investigation or an analysis of any issue related to the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented. Further, certain data included in this document may be historical in nature.