

BIOASIS TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS
AND RESULTS OF OPERATIONS

This Management Discussion and Analysis ("MD&A") is prepared by management as of July 26, 2010. It should be read in conjunction with the unaudited consolidated financial statements of biOasis Technologies Inc. ("the Company") as at and for the three months ended May 31, 2010, and should also be read in conjunction with the Company's audited consolidated financial statements for year ended February 28, 2010, together with the related notes therein. The financial statements listed have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The reporting currency is in Canadian dollars.

FORWARD LOOKING STATEMENTS

This MD&A contains forward looking statements that reflect the current view of management with respect to future events and financial performance. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward looking statements.

When used in this document, words such as 'estimate', 'expect', 'anticipate', 'believe', 'may', 'plan', 'intend' and similar expressions are intended to describe forward looking statements and as such involve inherent risks and uncertainties. Such factors include, among others, our stage of development, lack of any product revenues, general economic conditions, additional capital requirements, risk associated with the completion of clinical trials and obtaining regulatory approval to market our products, the ability to protect our intellectual property, dependence on collaborative partners and the prospects for negotiating additional corporate collaborations or licensing arrangements and their timing. Specifically, certain risks and uncertainties that could cause such actual events or results expressed or implied by such forward-looking statements and information to differ materially from any future events or results expressed or implied by such statements and information include, but are not limited to, the risks and uncertainties that: we may not be able to successfully develop and obtain regulatory approval for a p97 biomarker diagnostic and Physician's Aid to help diagnose Alzheimer's disease, or future products in our targeted corporate objectives; our future operating results are uncertain and likely to fluctuate; we may not be able to raise additional capital; we may not be successful in establishing additional corporate collaborations or licensing arrangements; we may not be able to establish marketing and the costs of launching our products may be greater than anticipated; we have no experience in commercial manufacturing; we may face unknown risks related to intellectual property matters; we face increased competition from pharmaceutical and biotechnology companies; failure of third parties and sub-contractors; and other factors as described in detail in our filings with the Canadian securities regulatory authorities at www.sedar.com

All forward-looking statements and information made herein are based on our current expectations and we undertake no obligation to revise or update such forward-looking statements and information to reflect subsequent events or circumstances, except as required by law or regulation. Readers are cautioned against placing undue reliance on forward looking statements.

OVERVIEW

biOasis Technologies Inc. is focused on the research, development and commercialization of a protein named melanotransferrin ("p97"), for potential use within a proprietary *in vitro* diagnostic assay for Alzheimer's disease, Cognitest™, and for its potential therapeutic application as a carrier of therapeutic agents across the blood brain barrier ("BBB"), Transcend™. The Company is listed for trading on the TSX Venture Exchange (the "Exchange"), symbol "BTI".

KEY DEVELOPMENTS

Additions to management, boards and consultants

Management has determined that in order to help formulate and execute on its business strategy the Company needed to add senior business and biotech industry executives to its business and scientific advisory boards ("SAB"), to its Board of Directors, and as consultants and employees. A significant number of senior consultants, employees, SAB members and board directors were added in fiscal year ended February 28, 2010. These include Mark Godsy as a strategic consultant, Dr. Michael Edward Shannon, M.A., M.Sc., M.D. as Senior Medical Advisor and a SAB member, Dr. Avi Livnat as a consultant and SAB member, Mr. Hugh MacNaught as Senior Industry Advisor (now Executive Vice-President), Mr. David Browning to the business advisory board, Dr. Delara Karkan as a consultant to assist in scientific planning and regulatory issues and Mr. Craig Thomas, Mr Michael Hutchison QC, and Dr. H. Christian Fibiger as board members.

Dr. Fibiger is a recognized global neuroscience expert and former head of the Division of Neurological Sciences and Chair of the University Graduate Program in Neuroscience at the University of British Columbia. In 1998 Dr. Fibiger became Vice President of Neuroscience Discovery Research and Clinical Investigation for Lilly Research Laboratories Europe at Eli Lilly and Company. In 2003 he joined Amgen as Vice President and Global Head of Neuroscience where he was responsible for Amgen's worldwide Neuroscience discovery efforts ranging from early exploratory research through clinical candidate selection. He was also responsible for evaluating and implementing collaborative efforts, external alliances and licensing agreements in Neuroscience with biotechnology companies and academic institutions. Dr. Fibiger is now Chief Scientific Officer at Biovail Laboratories International SRL, the IP subsidiary company owned by Biovail Corporation, Canada's largest publicly traded pharmaceutical company.

In March 2010 Dr. Robert Cory was added as a consultant to the Company and effective July 1, 2010 became a full time employee with the Company. Dr. Cory has over 15 years senior leadership experience in the biopharmaceutical industry having previously served as Vice President, Business Development at Migenix Inc. and has a strong licensing transaction background as well as mergers and acquisitions experience and experience in Intellectual Property strategy

In May 2010 the Company appointed Dr. Reinhard Gabathuler to its SAB. Dr. Gabathuler was formerly Chief Scientific Officer at Angiochem Inc. (Montreal, Canada) and he also served as Vice President, Brain Research and Drug Delivery at BioMarin. Prior to joining BioMarin, Dr. Gabathuler served as Vice President of Research at Synapse Technologies Inc. Dr. Gabathuler holds a Ph.D. in biochemistry from the University of Lausanne, Switzerland.

Shareholder communications

The Company information is also available via Standard & Poor's Market Access Program, an information distribution service that enables subscribing publicly traded companies to have their company information disseminated to users of Standard & Poor's Advisor Insight Equity Research Service. As part of the program, a full description of biOasis Technologies Inc. is published in the Daily News section of Standard and Poor's Corporation Records, a recognized securities manual for secondary trading in up to 38 states under their Blue Sky Laws.

RESEARCH AND DEVELOPMENT PROGRAM

Diagnostic Program - COGNITEST™

The Company is developing an *in vitro* diagnostic assay, named Cognitest™, to measure circulating levels of melanotransferrin in patients suspected or known to suffer from Alzheimer's disease.

SISCAPA Assay

In late 2008, the Company entered into a contract with Anderson Forchung Group LLC (Washington DC) to develop new Stable Isotope Standards and Capture by Anti-Peptide Antibodies ("SISCAPA") assays to measure the levels of p97 in human blood samples. This new immunoproteomics platform allows the accurate quantification and thus subsequent qualification and validation of biomarkers. The assay development for Cognitest™ is now completed and we are expecting to test the SISCAPA method with human samples within the next 2 months.

SISCAPA is a technique that was developed to measure the levels of proteins in human plasma and is based on immunoaffinity enrichment of peptide surrogates of biomarker proteins and their identification by mass spectrometry. The technique offers several improvements over standard immunoassays: first, unlike in standard ELISA immunoassays, the analytes are unambiguously identified by mass spectrometry; second the assay detects peptide surrogates of the protein targets (rather than the intact proteins) and thus is less subject to variability due to sample degradation; third, SISCAPA is less subject to interference due to autoantibodies that may bind the analyte since these antibodies are destroyed during the SISCAPA sample preparation step. SISCAPA will be used as a second, independent method for quantification of p97 in human plasma in parallel with a sandwich immunoassay (ELISA), thus adding additional confidence for qualification of p97 as a biomarker for Alzheimer's disease.

Enzyme-linked Immunosorbent Assay ("ELISA")

The potential use of p97 as a biomarker diagnostic for Alzheimer's has been demonstrated in a number of earlier studies conducted by Dr. Wilfred Jefferies and his team at UBC and by independent third party studies at the University of Seoul.

In May 2009 the Company entered into a Collaborative Research Agreement ("CRA") with UBC to assist the Company in development of an ELISA to detect levels of the protein "p97" in blood for the purpose of conducting clinical research on human samples. This program is supervised by Dr. Wilfred Jefferies, and is staffed by a senior scientist/project manager and a post doctoral fellow, together with additional lab services provided through the Biomedical Research Center at UBC.

In December 2009 the Company entered into a service agreement with UK based Fleet Bioprocessing Ltd ("Fleet") to develop and optimize an enzyme linked immunosorbent assay ("ELISA") based on the Company's p97 technology for licensing within the world's most competitive and highly regulated markets. Fleet operates to ISO9001:2008 and ISO13485: 2003 standards, and in accordance with the *in vitro* diagnostic GMP requirements of the US Food and Drug Administration (FDA). Upon successful completion of the development program the Company expects that the assay will be able to measure p97 in human serum and plasma and be suitable for incorporation into the diagnostic platforms of other companies. To-date Fleet has completed product requirement definitions and is currently in the prototype ELISA development phase. New antibodies have been developed that are owned by the Company and are currently being screened at the Fleet laboratory so that the best antibody pairs will be incorporated into the assay. The Company hopes to have a production prototype by the last quarter of calendar 2010. At that point assay performance will be assessed against clinical samples from Alzheimer's patients and controls and depending on results an application may be submitted for CE marking following which the Company expects to enter into commercial licenses for use on central laboratory diagnostic platforms. The Cognitest™ development program with Fleet is on track and on budget and we expect that by October 2010 we will have completed early validation.

RESEARCH AND DEVELOPMENT PROGRAM (continued)

Blood Brain Barrier Technology - TRANSCEND™

On June 26, 2008, Dr. Jefferies and his team published a manuscript in the peer-reviewed journal Public Library of Science (PLOS) ONE. The significance of this manuscript was that it was the first time that a naturally occurring protein (p97) was proven to deliver chemotherapeutic agents (drugs) across the BBB with efficacy (strength) of up to ten times that of the non-carrier delivered drugs. In addition, drug delivery by p97 virtually eliminated the deposit of the drug in specific major organs, most notably the heart, thereby significantly reducing the risk of cardiotoxicity. This study shows that there is a possibility that using p97 as a carrier for drug delivery across the BBB may increase the efficacy of a delivered drug, allowing physicians potentially better options for treating Central Nervous Systems disease and conditions. Medical indications that would benefit from this type of drug delivery include brain cancer (glioblastomas and brain metastases from other cancers), neurodegenerative diseases, infections, psychiatric disorders and pain.

In May 2009 the Company entered into a Materials Transfer Agreement (“MTA”) with a major U.S. biotech whereby several of the Company’s patented, proprietary technologies and reagents for delivery of therapeutics across the BBB were delivered to them for testing. At this time that biotech company is continuing with its’ testing under the MTA.

In June 2009 the Company entered into a CRA with UBC to build on the preclinical Proof-of-Concept work showing that p97 can shuttle therapeutic agents across the blood brain barrier. To-date the project has completed additional work verifying prior findings and work that parallels the work being performed by the US Biotech Company.

The Company is now in the process of identifying candidate therapeutic agents for conjugation to p97 for delivery across the BBB under its Transcend™ program. If sufficient funds are raised the Company will then run proof of concept studies on these candidate therapeutics.

Some additional research on p97 under the Transcend™ program has been completed at UBC and the results reported to the Company from UBC are very encouraging.

FUTURE OUTLOOK

If an optimized ELISA for measuring p97 in human plasma is successfully developed and supported through findings from the SISCAPA testing then the Company expects to submit some initial regulatory submissions for the use of Cognitest™ as a Physicians Aid to help diagnose and monitor Alzheimer’s disease by fourth calendar quarter 2010. The Company will then commence licensing of Cognitest™.

The Company is seeking to raise financing to conduct proof of concept studies on its Transcend™ model to prove that it can shuttle several selected therapeutics across the BBB. If the studies are successful the Company will then seek joint-venture partners to undertake clinical trials on the p97-conjugates.

The Company has no source of revenue other than interest income earned on cash and cash equivalents. To date the Company has raised additional cash resources, principally through the sale of its common stock. The Company will need to continue to source such financing in the future and will need to achieve clinical success and scientific milestones to achieve future license and royalty revenues from Cognitest™ and to undertake future research and development on Transcend™ and fund its corporate operations.

RESULTS OF OPERATIONS

For the three months ended May 31, 2010 (“Q1 2011”) as compared to the three months ended May 31, 2009 (“Q1 2010”)

Amortization

The following table identifies the composition and changes in Amortization expense:

Amortization Expense	“Q1 2011”	“Q1 2010”	Increase (decrease)
	\$	\$	\$
Patents and intellectual property	26,577	26,577	-
Capital assets	311	360	(49)
Total amortization expense	\$26,888	\$26,937	(\$49)

Patent and intellectual property amortization expense comprises the amortization on a straight line basis of the biomarker diagnostic for Alzheimer's disease patents (“the UBC patents”) and the blood-brain barrier patents for therapeutic uses of p97 (“the Jefferies patents”) acquired in the acquisition of biOasis Advanced Technologies, over their estimated useful economic lives of 10 years and 15 years respectively from their date of acquisition on March 27, 2008 and the amortization of the fair value of the options issued to UBC upon completion of the acquisition over 10 years.

General and Administration Expense

The following table identifies the composition and changes in General and Administration (“G&A”) expense:

General and Administrative Expense	“Q1 2011”	“Q1 2010”	Increase (decrease)
	\$	\$	\$
Accounting & audit	40,650	33,750	6,900
Consulting fees	93,500	75,770	17,730
Foreign Exchange Loss (gain)	(462)	6,981	(7,443)
Insurance	3,391	2,808	583
Investor relations and marketing	11,021	13,063	(2,042)
Office, telephone & miscellaneous	5,262	3,794	1,468
Professional	-	12,706	(12,706)
Salaries	34,616	-	34,616
Transfer agent, regulatory and news wire service	5,656	11,436	(5,780)
Travel	1,037	937	100
Total General and Administrative Expense	\$194,671	\$161,245	\$33,426

Q1 2011 compared to Q1 2010

Q1 2011 and Q1 2010 accounting and audit include audit fee expense of \$32,000 and \$30,000 respectively for year ends Feb 28, 2010 and 2009; in addition Q1 2011 includes additional expense for tax consulting. Consulting fees include fees for the CEO (increased February 1, 2010), CFO, strategic advisor, communications consultant and a new acquisitions and IP strategies consultant. Q1 2010 exchange loss was a result of exchange loss on US cash due to an appreciating Canadian dollar. Professional fees in Q1 2010 include legal fees for new consulting contracts and a materials transfer agreement. Salaries in Q1 2011 comprise salary and employer taxes for Executive Vice-president (effective from January 1, 2010). Transfer agent and regulatory fees for Q1 2010 included set-up fees for blue sky registration work.

RESULTS OF OPERATIONS (continued)

Research and Development Expense

The following table identifies the composition and changes in research and development expense:

Research and Development Expense	"Q1 2011"	"Q1 2010"	Increase (decrease)
	\$	\$	\$
Pre-clinical	173,837	16,608	157,229
Consulting	60,967	25,000	35,967
Patent maintenance & filing fees	10,042	7,006	3,036
Salaries	16,062	-	16,062
Total Research and Development Expense	\$260,908	\$48,614	\$212,294

Q1 2011 compared to Q1 2010

Pre-clinical expense in Q1 2011 comprises work conducted on the Cognitest™ p97 Assay program with Fleet Bioprocessing (UK) for \$80,310, sample costs from Epitomics \$18,006, and CRA work with UBC of \$38,131 (Q1 2010 \$nil); Transcend™ BBB work comprising work under the UBC CRA of \$55,953 (Q1 2010 \$nil); no work was conducted on the SISCAPA Assay in Q1 2011 (Q1 2010 \$16,608). Consulting expense increased \$35,967 in Q1 2011 compared to Q1 2010 principally due to the hire of three new consultants and increased contract rate for the Company's Scientific Consultant from May 2009 on. Salaries are in respect of the Company's senior medical advisor.

Stock-based Compensation Expense

The following table identifies the composition and changes in stock-based compensation expense:

Stock-based Compensation Expense	"Q1 2011"	"Q1 2010"	Increase (decrease)
	\$	\$	\$
Stock-based compensation expense	\$132,763	\$209,480	(\$76,717)

Incentive stock options are issued to management, directors, advisory board members and key consultants. Stock based compensation is accounted for in accordance with Section 3870 of the CICA Handbook. An estimate of the fair value of stock options was calculated using the Black-Scholes Options Pricing Model. The application of this model requires management to estimate several variables, including the period for which the option is expected to be outstanding, price volatility of the Company's stock or a relevant comparable company stock if the Company does not have sufficient trading history over the relevant timeframe and the determination of the Company's risk free interest rate and an assumption regarding the Company's future rate policy.

Other Items - Interest Income

The Company earned interest income on its cash and cash equivalents and short term investments of \$1,394 for Q1 2011 compared to \$1,190 for Q1 2010.

Net Loss

As a result of the above net loss for Q1 2011 was \$613,836 or a loss per share of \$0.02 compared to a net loss of \$445,086 or a \$0.02 loss per share for Q1 2010.

SUMMARY OF QUARTERLY RESULTS

The following are the results for the Company's past eight quarterly reporting periods:

Fiscal Year	2011	2010	2010	2010	2010	2009	2009	2009
Quarter	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Expenses	615,230	679,485	553,075	545,389	446,276	188,271	158,558	155,346
Other Items:								
Interest Income	(1,394)	(2,887)	(195)	(2,263)	(1,190)	(3,172)	(5,926)	(6,805)
Net Loss	613,836	676,598	552,880	543,126	445,086	185,099	152,632	148,541
Basic loss per share	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01

Overall expenses have increased significantly from Q1 2010 onward due to substantially increased pre-clinical expense, principally on the Cognitest™ Assay program and some work on the Transcend™ BBB program; new consultant and salary hires in G&A expense (including new Executive Vice-President) and R&D consultants; and increased expense incurred for investor relations and travel expenditures. Stock based compensation expense has also significantly impacted quarterly expense as follows: Q1 2011 \$132,763, Q4 2010 \$197,950, Q3 2010 \$181,611, Q2 2010 \$274,157, and Q1 2010 \$209,480 compared to Q4 2009 \$26,095, Q3 2009 \$25,563 and Q2 2009 \$22,062.

Other interest income has declined with the substantial reduction in interest income yields earned on cash and cash equivalents and short term investments.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

As at May 31, 2010 the Company had working capital of \$1,480,336, a decrease of \$454,185 over February 29, 2010, due to operating loss adjusted for non-cash items. There were no financing activities in Q1 2010. Working capital includes cash of \$1,389,272. The Company's objective is to maintain a sufficient capital base to sustain future research and development through to commercialization of Cognitest™, to obtain funding to fund proof of concept studies on Transcend™ and to maintain sufficient funds on hand for corporate operations as a public company. At this time the Company estimates its has sufficient funds for development and testing of Cognitest and for corporate operations through fiscal Q1 2011. The Company is currently looking to raise the additional funds for the fund proof of concept studies around Transcend™ and for general working capital. If the Cognitest™ program is successful then the Company intends to commercialize through licensing the test. The Company also is hoping to secure joint venture partners to undertake full clinical trials of Transcend™. The Company has no revenues and to date has funded operations and research and development through sale of common stock. If such funds are not available in the future or new sources of financing such as milestone payments or joint venture arrangements cannot be secured then the Company will be forced to curtail its activities to a level for which funding is available.

Cash flow

Q1 2011 compared to Q1 2010

Net cash used by operating activities was \$303,985 in Q1 2011 compared to \$551,058 in Q1 2010, a decrease in use of \$247,073, principally due to a \$506,547 decrease in prepaid expense principally as a result of progresses made in respect of the UBC CRAs which is offset by the increase in net loss after adjustment for items not affecting cash of \$245,516.

Investing activity in Q1 2011 used no cash, a decrease in use of \$2,069, compared to cash used in Q1 2010 of \$2,069.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Cash flow (continued)

Financing activity for Q1 2011 raised \$nil cash proceeds, a decrease in source of \$2,148,355 over Q1 2010. Financing activities for Q1 2010 comprised net proceeds of \$443,355 from a 1,000,000 unit private placement being gross proceeds of 1,000,000 shares issued at \$0.50, less Agents commission of \$25,000 and share issuance cost of \$31,645, \$1,495,000 from the exercise of 5,980,000 warrants at \$0.25, \$135,000 from the exercise of 900,000 agent's warrants at \$0.15, and \$75,000 from the exercise of 500,000 incentive stock options at \$0.15.

OUTSTANDING SHARE DATA

The Authorized share capital consists of an unlimited number of common shares without par value.

Outstanding Share Data	Number of Common Shares	Exercise Price per Common Share	Expiry Dates
Issued and outstanding common shares as at as at July 26, 2010	27,873,341 ⁽¹⁾		Sept 1, 2010 - February 19, 2015
Incentive stock options	4,695,000	\$0.15-\$0.68	
Fully diluted shares as at July 26, 2010	32,568,341		

(1) Of which 2,246,500 common shares of the Company are subject to an Escrow Agreement pursuant to policies of the TSX Venture Exchange. Under the terms of the Escrow Agreement 1,123,250 will be released on October 2, 2010; and 1,123,250 on April 2, 2011.

RELATED PARTY TRANSACTIONS

During the period ended May 31, 2010 the Company paid \$36,000 to a company controlled by a director and officer of the Company for consulting services in his capacity as President and Chief Executive Officer ("CEO") of the Company.

During the period ended May 31, 2010 the Company paid \$18,000 to a director and officer of the Company for consulting services in his capacity as Chief Financial Officer.

The payments above were made pursuant to consulting contracts for management services and were renewed April 1, 2010 for a one year term. Each contract may be terminated by the Company at any time for a lump sum payment of six months cash compensation.

These transactions were in the normal course of operations and have been recorded at their exchange amounts, which is the consideration agreed upon between the related parties

FUTURE ACCOUNTING POLICIES

Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These Sections replace Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for the accounting of non-controlling interests in a subsidiary in the consolidated financial statements subsequent to a business combination. These Sections will apply to the Company's financial statements beginning on January 1, 2011. The Company is currently evaluating the implications of these new Sections on the consolidated financial statements.

Business Combinations

In January 2009, the CICA issued Section 1582, Business Combinations. This Section replaces Section 1581, Business Combinations. Section 1582 establishes standards for the recognition of business combination. This Section will apply to financial statements relating to the Company beginning on January 1, 2011. The Company is currently evaluating the implications of this new Section on the consolidated financial statement.

International Financial Reporting Standards

In 2006, the Canadian Institute of Chartered Accountants (the "CICA") announced that accounting standards in Canada will converge with International Financial Reporting Standards ("IFRS"). IFRS uses a conceptual framework similar to Canadian GAAP, but there could be significant differences on recognition, measurement and disclosures that will need to be addressed. The effective changeover date for the Company will be March 1, 2011, at which time Canadian GAAP will cease to apply for the Company and will be replaced by IFRS. Following this timeline, the Company will issue its first set of interim financial statements prepared under IFRS in the first quarter of fiscal 2012 including comparative IFRS financial results and an opening balance sheet as at March 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended February 28, 2012 with restated comparatives for the year ended February 28, 2011.

The Company's IFRS team comprises the CFO who is a Chartered Accountant. He will be performing the IFRS conversion and will report to the Audit Committee on the progress accomplished. Management is preparing an evaluation of its existing financial statement line items, comparing Canadian GAAP to the corresponding IFRS guidelines, and has identified a number of potential differences. Many of the potential differences identified are not expected to have a material impact on the reported results and financial position. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as of the date of the first comparative balance sheet presented based on standards applicable at that time.

Accounting policies – Key differences between GAAP and IFRS applicable to the Company have been identified. A detailed review will be concluded in fiscal 2011. The following is a list of IFRS standards currently identified as having a potential impact on the financial statements of the Company and which are considered most relevant to the Company's conversion process.

IFRS 1, "First-Time Adoption of International Financial Reporting Standards", provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. These exemptions and exceptions are currently being assessed and will be discussed with the Audit Committee prior to implementation.

IFRS 36, "Impairment of Assets" and IAS 28, "Intangible Assets" - Under Canadian GAAP, the Company is currently required to test for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Under IFRS, however, the Company will be required to assess whether there has been impairment at each reporting date. Unlike IFRS, the estimates of future cash flows used in assessing whether an impairment loss exists are not discounted under Canadian GAAP. This might trigger more impairment testing under IFRS. Unlike Canadian GAAP, the Company will be permitted to revalue intangible assets to fair value if there is an active market under IFRS.

FUTURE ACCOUNTING POLICIES (continued)
International Financial Reporting Standards (continued)

Information systems – The accounting process of the Company are relatively simple and no major challenges are expected at this point to operate the accounting system under IFRS. Some Excel spreadsheets will be adopted to support the changes made in accounting policies. Based on management assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes.

Conclusion - These differences have been identified based on the current IFRS standards issued and expected to be in effect on the date of transition. Certain IFRS standards may be modified, and as a result, the impact may be different than the Company's current expectations. Based on management's review and assessment of IFRS, the Company does not anticipate the conversion to IFRS will have a significant impact on the Company's reported amount and or its business. However, one of the more significant impacts identified to date of adopting IFRS is the expanded presentation and disclosures required. Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements. The Company also expects to meet all reporting deadlines in its conversion to IFRS and will report any difficulties in meeting these deadlines.