



**P.O. Box 370
KIRKLAND LAKE, ON, P2N 3J7**

**Management's Discussion & Analysis ('MD&A')
First Quarter – Fiscal 2009**

This MD&A is intended to help the reader understand Kirkland Lake Gold Inc. ('us', 'KGI' or 'the Company'), our operations and our present business environment.

This MD&A has been prepared as of September 12, 2008 and covers the results of operations for the quarter ended July 31, 2008. It is intended to supplement the unaudited Financial Statements and notes thereto which are expressed in Canadian Dollars and prepared in accordance with Canadian Generally Accepted Accounting Principles ('GAAP'). This MD&A should be read in conjunction with both the annual audited financial statements and notes thereto for the year ended April 30, 2008 and the related annual MD&A. Additional information relating to the Company is available from the Company's Annual Information Form ('AIF') filed with the Canadian securities regulators on SEDAR at www.sedar.com.

FORWARD LOOKING INFORMATION

Certain statements in this MD&A constitute 'forward looking statements'. While these statements are made as of the date hereof they refer to future events. Any forward looking statements are based upon reasonable assumptions, but no guarantees or assurances can be given that actual results will be consistent with such statements.

Forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other factors include, but are not limited to, the following:

- Risks inherent in natural resource exploration, development and production
- Lack of operating cash flow and the Company's reliance on additional capital
- Competition in the mineral exploration and mining industries
- Governmental regulation and environmental liability
- Uncertainty of title of resource properties
- Results of legal claims made by or against the Company

A comprehensive list of the risks and uncertainties are set out in the Company's AIF. Readers should not place undue reliance on any forward looking statements.

OUR BUSINESS

The Company is an operating gold mining company located in Kirkland Lake, Ontario, Canada which owns the Macassa Mine and Mill and four contiguous formerly producing gold mining properties. The Company's corporate goal is to expand its gold resources and reserves and reduce its operating costs to become a profitable gold producer.

The Company's common shares trade on the TSX (Toronto Stock Exchange) and the AIM (Alternative Investment Market) of the London Stock Exchange.

The Company's senior management and Board of Directors have extensive experience in the natural resource and mining sectors that include exploration, mining and marketing, as well as experience in the legal and corporate finance areas.

OPERATIONS REVIEW – INCLUDING A REVIEW OF REVENUES AND COSTS

The Company incurred a loss for the quarter ended July 31, 2008 of \$3,353,500 or \$0.06 per share, which compares with a net income of \$905,772 or \$NIL per share for the previous quarter and an income of \$36,237 or \$NIL per share for the same quarter in fiscal 2008. The principal causes of these variations are discussed below.

- (1) Review of Production and Development Activities compared to the previous quarter (Q4/08) and the same quarter in the previous fiscal year (Q1/08).
 - a) Gold production was 9,193 ounces in the quarter, a decrease of 35% compared to the previous quarter (Q4/08:14,090) and a 30% decrease compared to Q1/08 (13,204 ounces). This was a consequence of lower than forecasted grades and tons being realized within the existing mine due to above normal seismic activity in one area of the mine necessitating a change to our planned production schedule. Scheduled work to electrical power lines supplying the Company property and unscheduled repairs to the hoist together with difficulties associated with pastefill also disrupted production during the quarter. Management are confident that shortfalls in production will be recouped during the balance of the year.
 - b) Head grade for the quarter was 0.289 ounces per ton (opt), a decrease of 29% compared to the previous quarter (Q4/08: 0.404 opt) and 25% from the same quarter in fiscal 2008 (0.385 opt) for reasons mentioned above in (1)a) and from the processing of waste tons through the mill. A total of 1,488 waste tons were processed causing the head grade to fall from 0.303 opt to 0.289 opt.
 - c) Operating lateral and vertical development decreased 6% to 1,776 feet from the previous quarter (Q4/08: 1,894 feet). Operating development was also 26% lower than in Q1/08: (2,412 feet) because key headings needed redesigning in the mine plan after analysis of seismic data highlighted the risk of difficult ground control conditions in these areas.
 - d) Operating development associated with the SMC (ore and waste) represented 78% (1,382 feet) of all operating development within the quarter and is expected to increase from this level in future quarters.
 - e) A program of definition drilling and ore delineation through development continues to enhance knowledge of the SMC's expanding reserve and resource base. Ore generated from the development and delineation of the SMC throughout Q1/09 was 7,643 tons grading 0.353 opt with a recovery rate of 96.3% for 2,597 ounces produced. The contribution from this new area represented 23% of the tons milled and generated 28% of ounces produced. Significantly, the grade realized in the SMC was 21% higher than the quarterly head grade milled (0.35 opt versus 0.29 opt).
 - f) The level of capital development decreased from the previous quarter by 19% to 898 feet of vertical and lateral development (Q4/08 1,102 feet). These levels represent an increase of 64% compared Q1/08 (547 feet). The increasing trend in capital development is due to long term access development associated with the SMC. Capital development expenditure in Q2/09 and future quarters will be considerably higher with development planned for the SMC on 5025', 5300' and 5600' levels. The majority of this development is planned to take place between the 5300' and 5600' levels and will include the creation of 2,400 feet of conveyor drift and, starting in Q3/Q4 of fiscal 2009, ramp development to access zones below the 5300' elevation.
 - g) During the quarter significant development progress was made on ventilation boosting stations on the 4250', 4750' and 5300' levels. These stations, together with stations to be located on 4500' and 5000' levels, will double the mine ventilation available for the SMC on 5000' and 5300' levels.

- h) The Company continued to invest in the development and manufacture of a 'micro miner' machine which has been designed to drill and bolt remotely in various difficult or challenging headings. This new equipment will come into use before October, 2008 and is expected to improve operating effectiveness in areas with poor ground conditions and enhance worker safety.
- i) The Company also continued to rebuild scoops which will be better suited to the working conditions and anticipated future requirements of the mine. Two scoops have now been successfully rebuilt and are operational. A third will be completed during the second quarter.
- j) A total of 42,621 tons of rock were hoisted from underground operations, of which 33,063 tons were milled as ore producing 9,193 ounces of gold (Q1/08: hoisted tons:37,259, milled tons: 35,516 and 13,204 ounces of gold). In the previous quarter: 44,432 tons were hoisted, 33,166 tons were milled, and from that 14,089 ounces were produced. The hoisted rock for the first quarter was down slightly over the previous quarter for reasons outlined in paragraph (1)a) above.
- k) As a proportion of total production, use of long hole production mining methods remained relatively static at 25% between quarters. This trend is due to development of less steeply dipping reserves, which are more common in the SMC and now represent the largest proportion of developed reserves. Dilution control initiatives continue to be successful due to a modified drill pattern and a more appropriate selection of explosives.

SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights <i>(All amounts in 000s of Canadian Dollars, except shares and per share figures)</i>	Three months ended,		
	July 31, 2008	April 30, 2008	July 31, 2007
Gold Sales (ounces)	8,813	14,053	15,875
Average Price (per ounce)	\$902	\$939	\$712
Revenue	7,952	13,198	11,300
Operating Expenses	10,062	11,426	9,881
Exploration Expenditure	814	792	787
Net Income (loss)	(3,354)	906	36
Per share (basic and diluted)	(0.06)	NIL	NIL
Cash Flow from (used) operating activities	(1,081)	1,935	2,572
Cash Flow from financing activities	0	0	7,124
Cash Flow (used) for investing activities	(2,402)	(20,009)	(1,686)
Net increase (decrease) in cash	(3,482)	(18,074)	8,010
Cash at end of period	12,120	15,603	34,285
Short-term investments	15,475	15,389	0
Total cash resources	27,595	30,992	34,285
Total Assets	88,819	91,521	88,531
Total Liabilities	10,368	10,053	9,356
Working Capital	25,670	30,056	32,829
Weighted average number of shares outstanding	55,703,312	55,470,107	55,192,411
Dividends per share	NIL	NIL	NIL

(2) Review of Financial Results compared to the quarter ended July 31, 2007:

- a) Gold revenues were 29% lower at \$8.0 million (2008: \$11.3 million).
- b) Operating expenses increased 2% to \$10.1 million (2008: \$9.9 million). This increase was a function of higher mining costs (\$784,878), general site expenses (\$201,133) and stock based compensation (\$112,005). These increases were however offset by decreases in royalties (\$133,433), amortization and depletion (\$81,828) and inventory adjustments (\$746,590).

Mining cost increases were primarily a function of higher labour costs (\$277,692) resulting from an average annual wage increases of 3% for production workers; materials (\$283,848) reflecting increasing commodity prices and increased production efforts and contractors (\$307,073) as more independent contractors were used for definition drilling and ore development.

General site costs were up 19%, which is consistent with salary/ wage and associated burden increases (11%), materials (2%) and reduced capital development allocations (6%).

Amortization expenses were unchanged during the quarter, but the depletion charge decreased due to the increased reserve calculation at the end of fiscal 2008, combined with a decrease in production.

- c) General and administrative expenses were 28% lower at \$526,120 (2008: \$728,384). This reduction was due to lower accounting, legal, listing and investor relation costs.
- d) Exploration costs remained consistent at \$813,616 (2008: \$786,826), with an increase of only 3%.
- e) Capital spending on mine development doubled to \$1,350,262 (2008: \$655,949). Most of this increase was attributable to ongoing programs to develop and access the SMC and, in particular, the 5600' level.
- f) Capital spending on equipment was 22% lower at \$953,829 (2008: \$1,226,793). The Company's main investments for the quarter included; \$0.4 million in the purchase of new wabi cars and locomotives, \$85,000 in our scoop rebuilding project and a further \$0.2 million in the micro-miner project.
- g) Total spending including operating costs, capital spending and royalties increased \$0.7 million to \$11.3 million (2008: \$10.6 million).
- h) Other income decreased \$98,298 to \$304,083 (2008: \$402,381) mainly due to interest income on lower cash balances of \$143,085 which were partially offset by increases in income from rented equipment.

(3) Review of Financial Results compared to the quarter ended April 30, 2008:

- a) Gold revenues were 40% lower at \$8.0 million (2008: \$13.2 million), reflecting a 37% decrease in ounces sold as explained in section (1)a) and a 4% decrease in the realized gold price in Canadian dollars.
- b) Operating expenses decreased 12% to \$10.1 million (2008: \$11.4 million). This fall in spending was due to lower mining costs (\$408,381), changes in gold inventory (\$659,828) and royalties (\$212,172).

Decreases in mining costs are primarily attributable to year end adjustments including a company incentive bonus and a re-classification of expenses to property, plant and equipment.

Royalty expenses decreased due to a decrease in gold revenues.

- c) General and administrative expenses were up 4% to \$526,120 (2008: \$505,348) as a result of higher legal fees associated with preparing for the Company's forthcoming Annual General Meeting.
- d) Exploration expenditure rose 3% or \$21,722 to \$813,616 (2008: \$791,894). These costs remain relatively consistent over time given the overall importance of our ongoing exploration programs.
- e) Capital spending on mine development was unchanged at \$1.4 million (2008: \$1.4 million) reflecting the ongoing SMC development. Capital spending on property and equipment however increased \$0.6 million to \$1.0 million (2008: \$0.4 million), with the continuation of projects mentioned in (2)h&i and the purchase of new mobile equipment for the SMC.
- f) Total spending including operating costs, capital spending and royalties decreased \$1.3 million to \$11.3 million (2008: 12.6 million).
- g) Other income decreased to \$304,083 (2008: \$368,326) mainly due to a decrease in interest received on lower cash balances.

Summary of Quarterly Results

The quarterly results for the Company for the last eight fiscal quarters are set out in the following table.

Quarterly Results <i>(All amounts in 000s of Canadian Dollars, except Loss per share figures)</i>	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Fiscal 2009				
Revenue				7,952
Net Income (Loss)				(3,354)
Loss per Share (Basic & Diluted)				(0.06)
Fiscal 2008				
Revenue	13,198	9,576	7,362	11,300
Net Income (Loss)	906	(1,895)	(2,393)	36
Loss per Share (Basic & Diluted)	0.00	(0.02)	(0.04)	0.00
Fiscal 2007				
Revenue	10,529	8,212	9,398	
Net Loss	(1,191)	(2,530)	(1,367)	
Loss per Share (Basic & Diluted)	(0.01)	(0.06)	(0.03)	

Compared to the previous quarter, the number of full time employees rose 2% from 219 to 224. The Company's training program remains successful with 6 new workers being integrated into the workforce. This program remains an important cornerstone to the Company's developing self-reliance in a competitive labour market. Employee retention is also being enhanced by the introduction of personnel development plans and a number of other retention schemes.

The Company also maintained its reputation for safe working practices during the quarter. There were no lost time accidents on the property (including contractors) and medical aid frequency remained low at 1.5 on the MASHA ratings scale. Currently the Company is ranked #1 for MASHA's Award of Excellence for mines with less than 250 employees. Three new Mine Rescue Personnel were also trained during the quarter, bringing the total number of trained rescuers on site to 24.

Exploration Update

During the first quarter, four electric drills were dedicated to exploration and two air machines were shared between the exploration and production departments. Thirty-thousand feet of exploration drilling was completed during the quarter and the two air machines have now been returned to exploration.

432 feet of drifting east along the Kirkland Lake Gold/South Claims property boundary was completed including excavation of drill bays to facilitate testing of an area within the SMC, the New South Zone, on both the 100% KGI property as well as the South Claims with Queenston Mining. Exploration drilling in this area will take place during the second quarter.

Excavation of new drill bays on the 4500' and 5000' levels will be completed in the second quarter. These new bays will facilitate testing of the potential east extension of the SMC as well as hanging wall mineralization to the east and above the 4500' elevation.

Qualified Persons

The scientific and technical results of the Company's exploration programs and operations disclosed in this MD&A have been reviewed, verified (including sampling, analytical and test data) and compiled by the Company's geological and production staff (which includes a 'qualified person' in each department, Stewart Carmichael P. Geo., the Company's Chief Exploration Geologist in respect of exploration results, and Steve Gray, P. Geo, the Company's Chief Production Geologist in respect of production results, for the purpose of National Instrument 43-101, *Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators*). They also supervised the preparation of the information that forms the basis of the technical disclosure in this MD&A.

Quality Assurance & Control

The Company has implemented a quality assurance and control (QA/QC) program to ensure sampling and analysis of all exploration work is conducted in accordance with the best possible practices. The drill core is sawn in half with half of the core samples shipped to the Swastika Laboratories in Swastika, Ontario or to the Macassa mine laboratory for analysis. The other half of the core is retained for future assay verification. Other QA/QC includes the insertion of blanks, and the regular re-assaying of pulps/rejects at alternate certified labs (Polymet, Accurassay). Gold analysis is conducted by fire assay using atomic absorption or gravimetric finish. The laboratory re-assays at least 10% of all samples and additional checks may be run on anomalous values.

The reserves and resources amounts disclosed in this MD&A have been prepared and verified by Glenn R. Clark, P.Eng., an independent 'qualified person' for the purpose of National Instrument 43-101, *Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators*).

OUTLOOK

The Company continues to

- Invest heavily in its people and equipment to improve production and partially finance the ongoing exploration program, and
- Attract and retain underground employees by adopting and implementing best practices in its employee relations, investing in training programs and promoting employee retention schemes.

Production forecasts for fiscal year ending April 30, 2009 indicate annual gold production in the range of 58,000 to 62,000 oz. See 'Forward Looking Information' for a description of the factors that may cause actual results to differ from this forecast.

Mine design, definition drilling and development in the SMC remain the key areas of management focus for fiscal 2009.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

To date, the Company has relied significantly on private placement financings of equity securities to finance its operations. With current cash resources and expenses exceeding income at this stage, the liquidity risk could be material. Success will depend, for the most part, upon increasing production, adding to reserves as cost effectively as possible and maintaining tight controls over material price increases and expenditure generally.

Sales of gold doré bars and the majority of the Company's expenses are incurred in Canadian Dollars therefore the Company is substantially protected against movements in foreign exchange. The Company's principal exchange rate risk relates to movements between the Canadian Dollar and US Dollar on the price of gold.

Our holding of cash balances is kept under constant review and surplus funds are held on deposit at the best available market rates set by reference to the prevailing Prime Rate. There are no fixed, floating rate or interest free financial liabilities by way of borrowing.

Cash resources, (cash, cash equivalents and short-term investments) were as follows:

Resource	At July 31,	
	2008	2007
Cash \$CDN	12,120,079	34,264,320
Cash \$US	122	20,855
Short-term Investments	15,474,809	0
Total	27,595,010	34,285,175

Interest received on Canadian Dollar deposits range from 1.1 - 3.0% per year and interest received on US dollar balances is currently 0.75% per year. A breakdown of restricted cash and investments are available in Notes 3 and 4 of the accompanying Financial Statements.

The cash flow statement shows that the Company had a \$1.1 million outflow of cash for the quarter relating to operating activities. This cash outflow was mainly a consequence of a \$3.4 million net loss in the period.

There were no financing activities during the quarter.

Net investing activities of \$2.4 million included the purchase of mine equipment and capital development of \$2.3 million and a roll-over in the Canadian Government Treasury Bills of \$15.2 million.

As at September 12, 2008 the Company's cash resources are \$25.46 million. These funds are expected to be sufficient to fund the Company's planned exploration and development activities for the next 12-18 months.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, security deposits, accounts receivable, accounts payable and accrued liabilities. At July 31, 2008, the carrying values of these instruments approximate their fair values based on the nature of these instruments.

As at July 31, 2008, the Company had an outstanding commodity contract with Johnson Matthey Plc. to fix the price of 3,287 ounces of gold at an average price of \$933 per ounce to be delivered under this contract. Fair value was not significantly different from stated value when the gold was delivered during the month of August, 2008.

Commitments

A net smelter royalty is payable on a sliding scale commencing at 2% if the price of gold is equal to or greater than US\$300 per ounce and increasing to 4% if the price of gold sold is equal to or greater than US\$500 per ounce. The royalty amount due is payable quarterly commencing on the third month anniversary of the commencement of commercial production from any of the properties and terminates upon a maximum aggregate payment of \$15 million. During the period ended, July 31, 2008, royalties under this agreement amounted to \$317,277 (2008: \$450,710).

An agreement between Queenston Mining Inc. and the Company was formed in April 2007 to explore the Morgan property. The Company has agreed to spend \$908,000 on exploration for the fiscal year 2009.

On February 1, 2008 the Company submitted a revised end of mine life closure plan to the Ministry of Northern Development & Mines ('MNDM') of the Province of Ontario. At the same time, the Company put in place a letter of credit for \$4,452,597 in favour of the MNDM which, in turn, refunded a mine closure bond for \$2,235,829 on April 17, 2008.

A letter from the MNDM dated May 12, 2008 advised the Company that the closure plan which was submitted did not address all of the prescribed requirements for a certified closure plan. Comments from the Ministry are still awaited and will determine whether there will be any further financial obligations to the Company.

Related Party Transactions

Pursuant to an agreement between the Company and Ionic Management Corp. (formerly Quest Management Corp.), the Company pays \$3,500 per month to Ionic in consideration of Ionic providing corporate and administrative services to the Company. During the quarter and year to date, the total fees paid to Ionic for services performed under the agreement were \$10,500 (2008: \$10,500). Ionic is a private management company and has one director (Brian E. Bayley) in common and a corporate secretary (Sandra Lee) in common with the Company.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The unaudited interim financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim financial statements should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended April 30, 2008.

The following estimates are considered by management to be the most critical for investors to understand some of the processes and reasoning that go into the preparation of the Company's financial statements, providing some insight also to uncertainties that could impact the Company's financial results.

Going Concern

While the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations, certain historical adverse conditions and events cast substantial doubt upon the validity of this assumption.

During the years ended April 30, 2008 and 2007, the Company incurred losses of \$3.3 million and \$8.4 million, respectively. Cash flow required for operating activities, including exploration costs charged to operations of \$8.7 million, aggregated \$4.9 million for the two years in total. The funds required to continue operations and exploration activities during this period have been financed primarily from the issue of equity.

At July 31, 2008, the Company had working capital of \$25.7 million.

Management estimates that these funds, together with cash flow from targeted operations, will be sufficient to meet the Company's obligations and capital expenditure plans for the next twelve months.

Differences will occur between actual results and those targeted by management, and those differences may be material. It is possible that the operations will not generate sufficient cash flow for the Company to continue in the normal course without funding being provided from outside sources.

Management has been successful in obtaining sufficient funding for its operating and capital exploration requirements in the past and believes it will be able to do so in the future, if necessary. There is, however, no assurance that such funding will be available to the Company, or that it will be available on terms which are acceptable to management. If this does not occur, the Company may not be able to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Measurement Uncertainty

The Company's history of operating losses from mining operations indicates that the recorded costs for mineral properties and related fixed assets may not be recoverable. Management estimates, using a constant gold price of approximately CDN \$802 per ounce and annual operating costs similar to historical costs incurred over the past year, that annual production in the range of 58,000 to 62,000 ounces in fiscal 2009 and 78,000 ounces for each year thereafter would be required to cover costs of operations and estimated capital expenditures required for mining operations. To date, the Company has not been successful in achieving and sustaining this higher rate of production.

There is significant uncertainty associated with the ability of the Company to achieve the increase in production or reduction in costs necessary to recover the carrying value of the mineral property and related assets. In addition, gold price or Canadian/U.S. dollar exchange rate movements, the success of

the Company in realizing the benefit of the production improvements noted above, changes in the costs of labour, and the other costs or unforeseen production difficulties all would have an impact on the ability of the Company to achieve its goals from operations. The amount of working capital currently available for use by the Company could mean that adverse development could have a significant impact on the Company's operations and ability to recover costs.

Mineral Reserves & Deferred Exploration Costs

The Company expenses exploration expenditures and near term ore development costs as incurred. Property acquisition costs and longer term development costs incurred to expand ore reserves are deferred and depleted on a units-of-production basis over proven and probable reserves which are currently accessible by the Company. Management's estimate of gold price, recoverability, proven and probable reserves, operating capital and reclamation costs are subject to risk and uncertainties affecting the recoverability of the Company's investment in mineral properties. The Company assesses capitalized costs for recoverability on an annual basis or more frequently if changes in circumstances suggest that possible impairment. Where information is available and conditions suggest impairment, estimated future net cash flows are calculated using estimated future prices, reserves and operating, capital and reclamation costs on an undiscounted basis. If the net carrying value of the property exceeds the estimated future undiscounted net cash flows, the property will be written down to fair value.

Closure Costs

The Company has an obligation to reclaim its properties after the minerals have been mined from the site, and has estimated the costs necessary to comply with existing reclamation standards. These estimates are recorded as a liability at their fair values in the periods in which they occur. If the estimate of reclamation costs proves to be inaccurate, the Company could be required to increase the provision for site closure and reclamation costs, which would increase the amount of future reclamation expense, resulting in a reduction in the Company's earnings and net assets.

Internal Controls over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the period ended July 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CHANGES IN ACCOUNTING POLICIES

Adoption of new accounting standards

Effective May 1, 2008, the company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3031, Inventories and CICA Handbook Section 1400, General Standards of Financial Statement Presentation.

The initial adoption of these new standards had no material impact on the Company's financial statements.

Accounting Changes

The following Canadian accounting pronouncements were issued and not yet adopted by the Company:

- CICA Handbook Section 3064, Goodwill and Intangible Assets. Management is currently assessing the impact of this new standard.

OTHER MATTERS

Outstanding Share, Option & Warrant Data

As at the date of this MD&A the following securities are outstanding:

Security	Shares issued or Issuable	Weighted Average Exercise Price
Common Shares	55,703,312	--
Options	804,500*	\$7.82
Warrants	225,000	\$13.00

*if all options have fully vested