

ALTIMA RESOURCES LTD.

Q1

INTERIM FINANCIAL STATEMENTS

Three Months Ended February 29, 2008

(Unaudited – Prepared by Management)

These financial statements have not been reviewed by the Company's auditor

ALTIMA RESOURCES LTD.
Balance Sheets
(Unaudited – prepared by Management)

	February 29 2008 - \$ - <i>Unaudited</i>	November 30, 2007 - \$ - <i>Audited</i>
ASSETS		
Current assets		
Cash	270	3,707
Amounts receivable	593,655	303,425
Prepaid expenses	41,983	41,983
	635,908	349,115
Petroleum and Natural Gas Properties (Note 3)	10,561,030	10,829,903
	11,196,938	11,179,018

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Loans (Note 4)	3,050,000	3,450,000
Accounts payable (Note 8)	2,410,537	2,500,320
	5,460,537	5,950,320
Asset retirement obligation (Note 5)	66,400	66,400
	5,526,937	6,016,720
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	7,238,733	6,993,463
Contributed surplus	1,044,424	1,035,674
Deficit	(2,613,156)	(2,866,839)
	5,670,001	5,162,298
	11,196,938	11,179,018

Director

Signed "Richard Switzer"

Director

Signed "Joe DeVries"

ALTIMA RESOURCES LTD.
Interim Statements of Loss and Deficit
Three Months Ended February 29
(Unaudited – Prepared by Management)

	2008	2007
	- \$ -	- \$ -
EXPENSES		
Amortization	1,332	-
Consulting	33,000	35,000
Interest	94,099	-
Management fees	78,000	27,000
Office and miscellaneous	33,286	42,206
Professional fees	10,000	-
Interest income	-	(1,910)
	249,717	102,297
LOSS FOR PERIOD BEFORE INCOME TAX	(249,717)	(102,297)
FUTURE INCOME TAX RECOVERY	503,400	-
NET INCOME (LOSS) FOR PERIOD	253,683	(102,297)
Deficit, beginning of period	(2,866,839)	(1,379,032)
Deficit, end of period	(2,613,156)	(1,481,329)
Basic and diluted earnings (loss) per share	0.01	(0.01)
Weighted average number of shares outstanding	39,835,785	25,767,845

- See Accompanying Notes -

ALTIMA RESOURCES LTD.
Interim Statements of Cash Flows
Three Months Ended February 29
(Unaudited – Prepared by Management)

	2008	2007
	- \$ -	- \$ -
OPERATING ACTIVITIES		
Net income (loss) for period	253,683	(102,297)
Amortization	1,332	-
Future income tax recovery	(503,400)	-
	(248,385)	
Changes in non-cash working capital accounts	(339,464)	(889,554)
Cash provided by (used for) operating activities	(587,849)	(991,851)
INVESTING ACTIVITIES		
Oil and gas properties	267,540	(244,103)
Cash provided by (used for) investing activities	267,540	(244,103)
FINANCING ACTIVITIES		
Loan from a related party	-	400,000
Issuance of shares, net of acquisition costs	316,872	161,020
Cash provided by financing activities	316,872	561,020
Increase (decrease) in cash	(3,437)	(674,934)
Cash, beginning of period	3,707	914,278
Cash, end of period	270	239,346
Supplemental cash flow information:		
Cash paid for:		
- Interest	94,099	-
- Income taxes	-	-

- See Accompanying Notes -

ALTIMA RESOURCES LTD.
Notes to Interim Financial Statements
Three Months Ended February 29, 2008
(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS

The Company was incorporated under the Company Act of British Columbia and is primarily engaged in the acquisition, exploration and development of petroleum and natural gas properties in Canada. The Company is a public company listed on the TSX venture Exchange.

During the period, the Company incurred a net loss before future income tax recovery of \$249,717 and had a deficit of \$2,613,156 at February 29, 2008. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These interim financial statements have been prepared on a going concern basis. Its ability to continue its operations and to realize its assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing, and generating revenues sufficient to cover its operating costs. These interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Management is of the opinion sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is risk additional financing will not be available on a timely basis, or on terms acceptable to the Company.

2. BASIS OF PRESENTATION

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of results for the interim periods. Operating results for the three month period ended February 29, 2008 are not necessarily indicative of the results that may be expected for the year ending November 30, 2008. Unless otherwise noted, these interim financial statements follow the same accounting policies as the audited financial statements of the Company for the year ended November 30, 2007. Accordingly, these interim financial statements should be read in conjunction with the Company's 2007 annual audited financial statements and notes thereto.

3. PETROLEUM AND NATURAL GAS PROPERTIES

The Company's petroleum and natural gas properties and equipment are as follows:

	2008	2007
	- \$ -	- \$ -
Balance – beginning	10,824,573	4,250,104
Acquisition of Golden Eagle Energy Inc. assets	-	3,000,000
Capitalized exploration and development expenditures (net)	(267,540)	3,508,069
Estimated asset retirement costs	-	66,400
	10,557,033	10,824,573
Equipment	7,614	7,614
Less: Accumulated amortization	3,617	2,284
	3,997	5,330
Balance, ending	10,561,030	10,829,903

ALTIMA RESOURCES LTD.
Notes to Interim Financial Statements
Three Months Ended February 29, 2008
(Unaudited – Prepared by Management)

3. PETROLEUM AND NATURAL GAS PROPERTIES (Continued)

Chambers Area Gas Prospect, Alberta

During the year ended November 30, 2007 the Company concluded the purchase of Golden Eagle Energy Inc.'s assets in the Chambers area. As a result, at February 29, 2008 the Company's overall interest in the Chambers area was approximately 58% in 18 sections and 1.4% in 3 sections. The Company's land base totaled 21 sections (13,440 acres).

On August 30, 2007 the Company signed a Letter Agreement with Golden Eagle Energy Inc ("GEEI") whereby it acquired the GEEI assets in the Chambers Area, Alberta for cash consideration of \$3,000,000 (paid) subject to a 50% Net Overriding Royalty ("NORR") on 33.334% of the 100% interest purchased by the Company after deduction of Crown royalties and any other overriding royalties or like payments. In addition, the Company has the right and option up to and including December 31, 2008 to purchase and terminate the said NORR from GEEI for \$1,500,000.

During the quarter ended February 29, 2008 the Company earned \$267,540 in gas and liquid sales from the Chambers Prospect and deducted this amount from capitalized costs, as the Company is still in a pre-production stage.

4. LOANS

(i) In December 2006, the Company received \$400,000 as a loan from a company related by a director pursuant to a letter agreement whereby the Company proposed to acquire the outstanding shares of the company in exchange for shares and warrants in the Company. The loan is repayable on or before December 31, 2007 and bears interest at commercial rates. During the period, this loan was settled pursuant to a shares-for-debt settlement.

(ii) In August 2007, the Company negotiated a bridge loan of \$3,050,000. The loan is repayable on or before July 30, 2008 bearing interest at 12% per annum, compounded and payable monthly. In connection with the loan, the Company issued 2,074,000 common shares at a price of \$0.22 per share for a total of \$456,280 as a non-refundable bonus to the lender. Security for the loan includes a promissory note, a fixed and floating first charge debenture over the Company's present and after-acquired real property, a first priority general security agreement over all its present and after-acquired personal property, and an environmental indemnity agreement in respect of its properties. The loan is subject to a repayment requirement such that if the Company sells or disposes of any assets outside of the ordinary course of business, or closes one or more equity or debt financings, the Company will pay the lender all proceeds from such sale, disposition or financing, net of selling or financing costs, up to the full amount of the outstanding balance of the loan.

5. ASSET RETIREMENT OBLIGATION

During 2007, the Company recorded an asset retirement obligation in connection with estimated abandonment costs on the Chambers Area Gas Prospect. The costs were estimated at the current fair value of \$66,400. Fair value is estimated based on prices for similar liabilities. The Company will evaluate these estimates on an ongoing basis and record related revisions accordingly. As at February 29, 2008, it is not determinable as to when these costs will be incurred.

ALTIMA RESOURCES LTD.
Notes to Interim Financial Statements
Three Months Ended February 29, 2008
(Unaudited – Prepared by Management)

6. SHARE CAPITAL

Authorized: unlimited number of common shares without par value

Issued and outstanding:

	# shares	- \$ -
Balance, November 30, 2007	37,748,285	6,958,463
Issued in the period for:		
Cash		
Flow through private placements at \$0.20 per share	1,925,000	385,000
Shares-for-debt	2,250,000	440,548
Agents warrants	-	(8,750)
Flow-through shares renunciation	-	(503,400)
Share issue costs	-	(33,128)
Balance, February 29, 2008	41,923,285	7,238,733

(i) In December 2007, the Company issued 1,925,000 flow-through shares pursuant to a private placement at a price of \$0.20 per share for gross proceeds of \$385,000. The Company issued a Finder's Warrant as a finder's fee in connection with this private placement entitling the holder to acquire 175,000 common shares at a price of \$0.25 per share on or before January 2, 2009.

(ii) In January 2008, the Company settled a \$400,000 loan (Note 4) plus accrued interest of \$40,548 by the issuance of 2,250,000 common shares.

7. RELATED PARTY TRANSACTIONS AND BALANCES

During the three month period, the Company had the following transactions with related parties:

	February 29	
	2008	2007
	- \$ -	- \$ -
Management and consulting fees paid or accrued to directors or companies controlled by directors	111,000	27,000
Loan from a related company	-	400,000
Administrative services and occupancy charges paid to an officer and a company controlled by a director	31,065	20,612

In 2007, the Company entered into an agreement with a company controlled by a director to provide administrative services to fulfill corporate, secretarial, administrative, occupancy and all such other day-to-day duties and responsibilities as maybe imposed on the Company. As compensation, the Company agreed to pay an administrative handling fee of 10% on all transactions relating to the duties and responsibilities undertaken.

ALTIMA RESOURCES LTD.
Notes to Interim Financial Statements
Three Months Ended February 29, 2008
(Unaudited – Prepared by Management)

7. RELATED PARTY TRANSACTIONS AND BLANCES (Continued)

Included in accounts payable at February 29, 2008 are balances due to related parties were as follows:

	February 29	
	2008	2007
	- \$ -	- \$ -
Accrued management and consulting fees, administrative services and advances from directors and companies controlled by directors	307,546	121,506

8. CONTINGENCY

Included in accounts payable is an accrual for expenditures incurred by the operator of the Company's petroleum and natural gas properties, the amount of which is disputed by the Company. In accordance with industry practice, the Company abides by the CAPL – 1990 Operating Procedures which assigns certain rights to the operator including the provision for a lien against the properties to secure payment of the costs and expenses incurred by the operator during the term of the agreement. The operator is claiming such a lien in respect of costs and expenses incurred. This claim is disputed by the Company and is in litigation. Management is not able to assess at this time the outcome of the legal proceedings in process or further quantify what, if any, additional financial impact may result from final resolution of the dispute. The resulting adjustment, if any, will be recorded in the period in which the dispute is resolved.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current presentation. Such re-classification is for presentation purposes only and has no effect on previously reported results.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED FEBRUARY 29, 2008

Date prepared: April 28, 2008.

GENERAL

The following management discussion and analysis (“MDA”) of the financial position of Altima Resources Ltd. (“Company”) should be read in conjunction with the interim financials for the three months ended February 29, 2008 and the audited financial statements and accompanying notes for the year ended November 30, 2007. The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com, or by requesting further information from the Company’s head office in Vancouver.

FORWARD LOOKING STATEMENTS

This MDA contains certain forward looking statements, except for historical information. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company’s actual results, levels of activity, performance, and/or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward looking statements.

NATURE OF BUSINESS

The Company was incorporated under the Company Act of British Columbia and is primarily engaged in the acquisition, exploration and development of petroleum and natural gas properties in Canada and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for petroleum and natural gas properties is dependent upon the discovery of economically recoverable reserves and confirmation of the Company’s interest in the petroleum and natural gas properties, the ability of the Company to obtain necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof.

The Company is a public company listed on the TSX venture Exchange.

Pursuant to a Farm-out and Participation Agreement dated March 8, 2006 the Company acquired certain oil and gas interests and the right to participate in the drilling of a Mississippian Elkton test well being the Chambers Area Gas Prospect located in the West Ferrier area of west central Alberta.

OVERVIEW

Corporate development

During the current period, the Company and its management continued with the exploration and development of its Chambers Area Gas Prospect in addition to raising funds for exploration and development costs, and working capital.

Petroleum and natural gas properties

Pursuant to various agreements entered into between March 2006 and August 2007 the Company’s overall interest in the Chambers Area Gas Prospect totaled approximately 58% in 18 sections and 1.4% in 3 sections. The Company’s land base at year’s end totaled 21 sections (13,440 acres).

Altima’s exploration program is focused on deeper multi-zone gas and gas–condensate targets. The Chambers Area lies immediately west of the multiple producing pools in the Ferrier Field which continues to see significant industry drilling activity. During the past three years, over 100 wells have been drilled in Townships with Altima land holdings or in Townships adjacent to Altima land holdings.

Altima’s initial earning Well GEEL ET AL CHAMB 3-17-41-11 W5M (“3-17”) was spud on March 14, 2006, and reached a depth of 3,349 meters and production casing was set. By the fiscal year end 2006, the Test Well was completed (multi-zone completion) testing commercial rates of natural gas from multiple

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED FEBRUARY 29, 2008

zones. Upon completion of the 3-17 well, The Company elected to the purchase of an interest in the 7-18-41-11 W5M well which tested water free gas and associated condensate.

In 2007 Altima's capital was directed to building the Company's exploration program through acquisition of additional working interests, including interests in five wells; increasing the land base, constructing permanent access roads, production pipelining, and the drilling of a new earning exploratory well.

On August 30, 2007 the Company signed a Letter Agreement with Golden Eagle Energy Inc ("GEEI") whereby it acquired the GEEI assets in the Chambers Area, Alberta for cash consideration of \$3,000,000 (paid) subject to a 50% Net Overriding Royalty ("NORR") on 33.334% of the 100% interest purchased by the Company after deduction of Crown royalties and any other overriding royalties or like payments. In addition, the Company has the right and option up to and including December 31, 2008 to purchase and terminate the said NORR from GEEI for \$1,500,000.

Exploration expenditures in the year included construction of all weather access roads completed to the 3-17-41-11W5M and 16-21-41-11 W5M wells. These access routes will serve future drilling locations and pipeline right of ways for Altima. Pipelining was completed in late October from the 3-17 well into the Conoco gas gathering system at 5-8-41-11 W5M. In November Altima reached a milestone in The Company's Chambers operations by initiating natural gas and gas condensate sales from the 3-17 well. The well was brought on-line at a restricted rate of approximately 1.0 million cubic feet per day of gas and 50 barrels per day of condensate.

During the third and fourth quarter, Altima drilled and completed an option well on Conoco Phillips lands located at 16-21-41-11 W5M. The 16-21 well spud on August 26, 2007, drilled to its total depth of 3289 meters, and the rig was released on September 27, 2007. Well costs were 19 % under budget which is attributed to a well designed and executed drilling program. Open-hole logging was performed, and production liner run and cemented to total depth. The 16-21 encountered numerous gas shows and formations to test. Subsequent to year end, Altima completed and tested the well at commercial rates.

Up to the date of this MD&A, the Company and its partners have also elected to drill a second option well on lands from ConocoPhillips. The test well, located at Chambers is the new pool wildcat 5-15-41-11 W5M. This location was high-graded with the use of 3D seismic in conjunction with the results of the 16-21 and 3-17 wells. The 5-15 will spud in the summer of 2008. Plans to lay an approximate four-mile pipeline to the 16-21 well are under design with anticipated installation in the summer of 2008. This pipeline will be available for use by the 5-15 and additional projected future wells in this part of the Company's acreage.

OPERATIONAL RESULTS

Three months ended February 29, 2008: During the current period, the Company recorded a net loss before future income tax recovery of \$249,717 (2007 - \$102,297) and net income for the period of \$253,683 after future income tax recovery.

The primary reasons for these changes was a major increase in interest expense of \$94,099 (2007 - Nil) and management fees of \$78,000 (2007 - \$27,000). These increases are commensurate with the significant growth experienced by the Company in the year, particularly in relation to its petroleum and natural gas activities in the Chambers Area Gas Prospect in Alberta.

In addition, during the current period, the Company recognized a future income tax recovery of \$503,400 (2007 - \$Nil) from the utilization of available tax assets of the current period to reduce the future tax liability recognized in connection with exploration expenses renounced to investors on flow-through shares.

In general, total general expenses reflect the normal corporate business cycle. Any other significant increase/decrease in expenses relate to the Company's efforts to provide efficient and cost-effective administrative support to management's ongoing efforts to seek new properties, monitor exploration expenditures, and increase shareholder value.

ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED FEBRUARY 29, 2008

During the quarter ended February 29, 2008 the Company earned \$267,540 in gas and liquid sales from the Chambers Prospect and deducted this amount from capitalized costs.

SELECTED ANNUAL INFORMATION

	Years ended November 30		
	2007	2006	2005
	- \$ -	- \$ -	- \$ -
Revenue	-	-	-
Net loss	(1,487,807)	(1,257,687)	(38,812)
Loss per share	(0.05)	(0.09)	(0.01)
Total assets	11,179,018	5,185,456	347,226

SUMMARY OF QUARTERLY RESULTS

	Feb 29/08	Nov 30/07	Aug 31/07	May 31/07
Revenue	-	-	-	-
Net income (loss)	253,683	(195,571)	(861,816)	(328,123)
Loss per share	0.01	(0.01)	(0.03)	(0.01)
	Feb 28/07	Nov 30/06	Aug 31/06	May 31/06
Revenue	-	-	-	-
Net loss	(102,297)	(163,661)	(932,655)	(138,677)
Loss per share	(0.01)	(0.01)	(0.05)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

At February 29, 2008 the Company had \$3,707 in cash, a working capital deficiency of \$4,824,629 and a cumulative deficit of \$2,613,156.

To date, the Company's ongoing operations have been financed predominantly by private placements, the exercise of warrants and stock options, and loans. Additional financing will be required to conduct further development work on the Company's projects and to place any project, if feasible, into production. While the Company has been successful in raising the necessary funds in the past, there can be no assurance it can continue to do so.

In the quarter ending February 29, 2008, the Company issued 1,925,000 flow-through shares at a price of \$0.20 per unit. Finder's warrants were issued as a finder's fee entitling the holder to acquire 175,000 common shares at \$0.25 per share on or before January 2, 2009.

In December 2006, the Company received \$400,000 as a loan from a company related by a director pursuant to a letter agreement whereby the Company proposed to acquire the outstanding shares of the company in exchange for shares and warrants in the Company. The total loan and accrued interest for \$440,547.95 was settled by the issuance of 2,250,000 common shares pursuant to a shares-for-debt settlement.

In August 2007, the Company negotiated a bridge loan of \$3,050,000. The loan is repayable on or before July 30, 2008 bearing interest at 12% per annum, compounded and payable monthly. In connection with the loan, the Company issued 2,074,000 common shares at a price of \$0.22 per share for a total of \$456,280 as a non-refundable bonus to the lender. Security for the loan includes a promissory note, a fixed and floating first charge debenture over the Company's present and after-acquired real property, a first priority general security agreement over all its present and after-acquired personal property, and an environmental indemnity agreement in respect of its properties.

If the Company sells or disposes of any assets outside of the ordinary course of business, or closes one or more equity or debt financings, the Company will pay or cause to be paid to the lender all proceeds from

**ALTIMA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED FEBRUARY 29, 2008**

such sale, disposition or financing, net of selling or financing costs, up to the full amount of the outstanding balance of the loan.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties in the period consisted of the following:

- a) Management fees of \$78,000 paid to directors or accrued to companies controlled by directors;
- b) Consulting fees of \$33,000 paid or accrued to directors or companies controlled by directors;
- c) Administrative services, finance fees, share issuance and negotiation fees, and occupancy charges totaling \$31,065 were paid or accrued to an officer and a company controlled by a director.

SUBSEQUENT EVENTS

In March 2008, a company controlled by a director advanced a further total of \$39,500 to the Company as a loan with no fixed term for repayment.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of November 30, 2007, that our disclosure controls and procedures are effective to provide reasonable assurance that material information related to the Company, is made known to them by others within those entities. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. We have designed controls for this process and have conducted an evaluation which has identified potential weaknesses in such controls. Due to the limited number of staff, it is not feasible to attain complete segregation of incompatible duties. Weaknesses in the Company's internal controls over financial reporting allow for a greater likelihood that a material misstatement would not be prevented or detected.

Management and the Board of Directors mitigate the risk of material misstatement in financial reporting by performing a detail review of monthly operational and financial reports. It is not possible to provide absolute assurance that this risk can be eliminated.

RISKS

The Company is engaged in the exploration for and development of petroleum and natural gas properties. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any petroleum and natural gas properties depends on many factors not all of which are within the control of management. Operationally the Company faces risks that are associated with and affect the financial viability of a given petroleum and natural gas property. These include risks associated with finding, developing and producing these petroleum and natural gas reserves. In addition, Government regulations, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a petroleum and natural gas property.

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MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED FEBRUARY 29, 2008

The preparation of financial statements in conformity 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 expenses during the reporting period. Actual results could differ from those estimates.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying audited financial statements.

Any forward-looking information in the MDA is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.