H-SOURCE HOLDINGS LTD.
(FORMERLY 1018763 B.C. LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Nine Months Period ended September 30, 2015

General

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of November 30, 2015 and it presents an analysis of the condensed consolidated financial position of H-Source Holdings Ltd. (formerly 1018763 B.C. Ltd.) (the "Company") for the period the nine months period ending September 30, 2015. The following information should be read in conjunction with the audited financial statements of the Corporation for the initial period ended December 31, 2014, including the notes contained therein. The condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") International Accounting Standard 34 - Interim Financial Reporting.

Unless otherwise indicated, references to $ or "dollars' are to US dollars and references to "C$" are to Canadian dollars.

Forward-looking Statements

This MD&A contains forward-looking statements. These statements relate to future events or future performance and reflect our expectations and assumptions regarding our growth, results of operations, performance, and business prospects and opportunities. Such forward-looking statements reflect our current beliefs and are based on information currently available to us. In some cases, forward-looking statements can be identified by terminology such as "may", "would", "could", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. The forward-looking statements in this MD&A include, among others, statements regarding our future operating results, economic performance, and product development efforts, and statements in respect of:

- our expected future losses and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirement for, and our ability to obtain, future funding on favorable terms or at all;
- our potential sources of funding;
- our expectations regarding our capacity to develop our technology;
- our assessment of the benefits of our technology to our customers;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory clearance process;
- our plans to market our technology;
- our expectations regarding the acceptance of our technology by the market;
- our expectations with respect to future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us to us in respect of such arrangements; and
- our strategy with respect to the protection of our intellectual property.

A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance, and results discussed in the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- the effect of continuing operating losses on our ability to obtain, on satisfactory terms, or at all, the capital required to maintain our business as a going concern;
- the ability to obtain sufficient and suitable financing to support operations, development and commercialization of technology;
- the risks associated with the development of our technology;
- the risks associated with the increase in operating costs from additional development costs and increased staff;
- the regulatory approval process;
- our ability to successfully compete in our targeted markets;
- our ability to adequately protect proprietary information and technology from competitors;
- our ability to attract and retain key personnel and key collaborators;
- the potential for product liability claims; and
- the substantial risks involved in early-stage technology development companies.

Although the forward-looking statements contained in this MD&A are based on what we consider to be reasonable assumptions based on information currently available to us, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this MD&A.

Forward-looking statements made in this MD&A are made as of the date of the original document and have not been updated by us except as expressly provided for in this MD&A.

Business Overview

H-Source is a technology company operating within the healthcare industry. H-Source has developed a proprietary hospital-to-hospital transaction platform that provides a private, secure and trusted marketplace for member hospitals to buy/sell/transfer excess inventory supplies and capital equipment with each other.

Significant Events and Milestones for the period ended September 30, 2015

On March 3, 2015 the Company entered into a non-binding letter of intent with H-Source, Inc. ("HSI") whereby the Company would acquire all of the issued and outstanding common shares in the capital of H-Source, Inc. in connection with a proposed business combination (the "Transaction"). This letter of intent was replaced and superseded by the Merger Agreement dated July 21, 2015.

On August 31, 2015 the Company acquired a 100% interest in H-Source, Inc. pursuant to and on the terms and subject to the conditions set out in the Merger Agreement dated July 21, 2015 in consideration for 20,000,000 common shares of the Company. Pursuant to the Transaction, the Company issued an aggregate of 2,774,149 common shares to the H-Source, Inc.'s stockholders and to satisfy the conversion of the H-Source, Inc.'s bridge loan. The Company paid 1,000,000 shares as finder's fee in connection with the completion of the Transaction.

As a result of the Transaction, HSI is now the wholly-owned subsidiary of the Company.

HSI was incorporated under the laws of the State of Washington, USA on May 27, 2014 and acquired all of the assets and assumed all of the liabilities of H-Source LLC, effective June 1, 2014. This transaction was accounted for as an acquisition of an entity under common control and as such the transaction was recorded at historical cost. Upon acquisition H-Source LLC was dissolved. HSI has developed a digital platform and network to operate in the healthcare industry and offers a private, hospital-to-hospital marketplace that allows members to buy/sell/transfer supplies and capital equipment with each other. Members can conduct secure transactions within Integrated Delivery Networks (IDNs), Group Purchasing Organizations (GPOs), the complete H-Source network, or customize their own group of hospitals using our built-in filters. This network is designed specifically to reduce health care costs and medical products waste.

H-Source LLC started their Alpha testing in September of 2012, proof of concept in December of 2013, and the Company is currently in Beta testing (going to market) stage.

In connection with the Transaction, the Company completed a non-brokered private placement financing (the "Concurrent Financing") of an aggregate of 17,587,333 subscription receipts (each, a "Subscription Receipt") at a price of $0.11 (C$0.15) per Subscription Receipt for aggregate gross proceeds of $1,993,348 (C$2,638,100). The Concurrent Financing closed on May 14, 2015. Upon closing of the Transaction, each Subscription Receipt was automatically exercised into one common share of the Company, for no additional consideration.

Overall Performance

The statement of financial position as of September 30, 2015 indicates a cash balance of $1,199,291 (2014 – nil) and total current assets of $1,239,384 (2014 – $1,821).

Current liabilities at September 30, 2015 total $213,035 (2014 - $432,747). Shareholders' deficiency is comprised of share capital of $3,002,192 (2014 - $15,349), reserves of $226,007 (2014 - $9,276), obligation to issue common shares of $22,614 (2014 – nil), accumulative other comprehensive income $20,812 (2014 – nil), and accumulated deficit of $1,916,082 (2014 - $229,661).

As at September 30, 2015 the working capital (deficiency) is $1,355,543 (2014 – ($191,447)).

Results of Operations and Additional Disclosure for the Company without Significant Revenue

The Company is currently a development stage company and has yet to record any revenue from operations. The expenses of the Company for the period ended September 30, 2015; consist mainly of listing cost of $533,642, salaries and benefits of $131,568, share-based payments of $138,708, professional fees of $160,965, and consulting fees of $314,051. Listing cost was associated with the reverse acquisition of the Company and HSI. Amongst the listing cost is $160,326 of non-cash expenses. As the Transaction was not considered a business combination, the excess of the fair value of the consideration over the net assets of $46,986, as well as a $113,340 (C$150,000) finder's fee relating to the issuance of 1,000,000 finder's shares are included as listing expense on the consolidated statements of comprehensive loss totally $1,910,082 (refer to Reverse Take Over Note in Note 5 of the September 30, 2015 condensed interim consolidated financial statements for details).

Professional fees incurred for the period ended September 30, 2015 amounted to $165,594. These fees are associated with the initial set-up of the Company and legal and accounting services for the period ended September 30, 2015.

Consulting fees for the period ended September 30, 2015 amounted to $314,051 consist of fees paid to various consultants and advisors of the Company for financial management, business development, and marketing services. During the period the consulting fee included a lump sum payment of $104,837 (C$131,904) to an advisor for advisory services to H-Source, Inc. with respect to H-Source, Inc.'s business, which was paid upon the close of the Transaction.

Subsequent to September 30, 2015, the Company entered into additional consulting agreements with various consultants to assist in preparing the Company's business plan, presentations, and marketing materials.

COMPARISON OF RESULTS OF OPERATIONS

Current Quarter

During the quarter ended September 30, 2015, the Company reported a net loss of $975,219 (2014 – $46,992) and a net comprehensive loss of $954,407 (2014 – $46,992). The increased losses during the period were attributable to the completion of the Transaction with H-Source, Inc.

During the quarter ended September 30, 2015, the Company recorded operating expenses of $920,730 (2014 - $46,922). The largest factors contributing to the increase in operating expenses were consulting fees, listing cost, and share-based payment. Consulting fees of $169,826 (2014 - $nil) was mainly due to a lump sum payment of $104,837 for advisory services for H-Source, Inc. that was settled upon the close of the Transaction. Listing cost of $533,642 (2014 – $nil) was a one-time cost that was associated with the reverse acquisition of the Company and HSI. Amongst the listing cost is $160,326 of non-cash expenses. As the Transaction was not considered a business combination, the excess of the fair value of the consideration over the net assets of $46,986, as well as a $113,340 (C$150,000) finder's fee relating to the issuance of 1,000,000 finder's shares are included as listing expense on the consolidated statements of comprehensive loss. Share-based payments of $138,708 (2014 – $nil), a non-cash expense, was associated with the grant of 2,149,020 stock options to directors, officers and consultants on August 31, 2015.

Other factors contributing to the increase in operating expenses includes transfer agent and regulatory fees, travel and general and administrative. Transfer agent and regulatory fees of $14,327 (2014 - $nil) includes filing fees for the CSE for the Transaction and monthly transfer agent fees as a public company. Travel of $14,152 (2014 - $nil) and general and administrative fees $31,130 (2014 - $nil) increased due to the increase travel to Vancouver (head office) and conferences attendance and other office expenditure.

Year-to-Date

During the period ended September 30, 2015, the Company reported a net loss of $1,686,421 ($0.08 basic and diluted loss per share) and a net comprehensive loss of $1,669,609 compared to a net loss of $73,309 ($0.01 basic and diluted loss per share) and a net comprehensive loss of $73,309 during the period from May 27, 2014 (date of inception) to September 30, 2014. The increased losses during the nine month period ended September 30, 2015 were mainly associated with the Transaction, which resulted in the Company being a listed company.

During the nine months ended September 30, 2015, the Company recorded operating expenses of $1,465,647 (2014 - $73,309). The largest factors contributing to the increase in operating expenses were consulting fees, listing cost, professional fees, salaries and benefits, and share-based payments. Consulting fees of $314,051 (2014 - $nil) consist of a lump sum payment of $104,837 for advisory services for H-Source, Inc. that was settled upon the close of the Transaction and other financial advisory services. Listing cost of $533,642 (2014 – $nil) was a one-time cost that was associated with the reverse acquisition of the Company and HSI. Amongst the listing cost is $160,326 of non-cash expenses. As the Transaction was not considered a business combination, the excess of the fair value of the consideration over the net assets of $46,986, as well as a $113,340 (C$150,000) finder's fee relating to the issuance of 1,000,000 finder's shares are included as listing expense on the consolidated statements of comprehensive loss. Professional fees of $165,594 (2014 - $1,071) was related to audit fee and corporate legal fees in preparation for the Transaction. Salaries and benefits of $131,568 (2014 - $48,942) relates to employees in H-Source, Inc. for the 9 months ended whereas in 2014 salaries and benefits is for the period from inception, May 27, 2014, to September 30, 2014. Share-based payments of $138,708 (2014 – $nil), a non-cash expense, was associated with the grant of 2,149,020 stock options to directors, officers and consultants on August 31, 2015.

Operating expenses were offset by interest income of $6,411 (2014 - $nil), interest and interest and other finance costs of $221,185 (2014 - $nil), which was expenses incurred for financing.

The net comprehensive loss of $1,665,609 (2014 - $73,309) was affected by the foreign exchange translation on the transactions recorded in H-Source Holdings Ltd., which totalled of $20,812 (2014 - $nil).

As the Company's current operations is not generating revenue yet, it will continue to rely on equity and debt financing in order to meet its ongoing day-to-day operating requirements. There can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required at any particular time, or, if available, that it can be obtained on terms satisfactory to the Company.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company since incorporation on May 27, 2014. This information is derived from unaudited quarterly financial statements prepared by management. These financial data are prepared in accordance with IFRS.

	Qtr 3 September 30, 2015 $	Qtr 2 June 30, 2015 $	Qtr 1 March 31, 2015 $	Qtr 4 December 31, 2014 $	Qtr 3 September 30, 2014 $	Qtr 2 from incorporation to June 30, 2014 $
Revenue	Nil	Nil	Nil	Nil	Nil	Nil
Net Loss	975,219	714,062	368,211	229,661	46,992	26,317
Basic and diluted loss per share	0.03	0.23	0.14	0.06	0.02	0.01
Total assets	1,568,578	561,760	543,132	241,300	218,968	227,080
Working Capital	1,355,543	(556,122)	(505,332)	(191,447)	18,313	44,028

Net Loss

Overall, advertising and promotion, consulting, professional fees, listing cost, salaries and benefits, share-based payments, regulatory fees, amortization, research and development, transfer agent and regulator caused variances in net losses from quarter to quarter. The variances are mainly caused by the Company being a public company now and expenses as a public company increased.

Liquidity and Capital Resources

For the nine months period ended September 30, 2015 the Company generated $2,230,172 from financing activities.

At September 30, 2015, the Corporation had a working capital of $1,355,543 having cash of $1,199,291, accounts payable and accrued liabilities of $157,766, and promissory notes payable of $55,269, which was repaid in October 2015.

A summary of the Company's contractual obligations at September 30, 2015 is detailed in the table below.

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Accounts Payable, Accrued and other Liabilities	$157,766	$157,766	N/A	N/A	N/A
Total	$157,766	$157,766	N/A	N/A	N/A

License Agreement

There are no license agreements

Off-Balance Sheet Arrangements

As of the date of this management discussion and analysis, the Company does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Transactions With Related Parties

Related party transactions are as follows:

a) As at September 30, 2015, $nil (December 31, 2014 - $639) is owed to the Chief Executive Officer of the Company which was included in accounts payable.

Summary of key management (officers and directors) personnel compensation:

	September 30, 2015	December 31, 2014
	(Unaudited)	
	$	$
Key management compensation	264,700	117,625

b) Included in the above amounts are $36,085 (December 31, 2014 - $77,766) which has been capitalized to deferred software development costs and $75,000 each to the President and CEO. Also included in the above is non-cash compensation in form of stock options to the following:

- John Kupice, CEO of $41,558 (2014 – nil);
- Murray Walden, President of $41,588 (2014 – nil);
- Ronald Overstreet, Director of $9,974 (2014 – nil);
- Savio Chiu, Director of $8,312 (2014 – nil); and
- Denise Lok, CFO of $13,299 (2014 – nil).

During the nine month period ended September 30, 2015 the Company issued 2,204,103 shares with a fair value of $549,310 (2014 - $117,625) in settlement of fees and wages owing to officers and directors for services provided.

The Corporation has not engaged in any other transactions, including remuneration to officers/directors, with related parties other than the allotment and issuance of shares to its directors and officers, and the reimbursement of expenses incurred associated with the Company's business.

Recent Accounting Pronouncements

The following is a summary of recent accounting pronouncements the Corporation will be required to adopt in future years. The Corporation continues to evaluate the impact of these standards on its financial statements.

IFRS 9 – Financial Instruments:

In November 2013, the IASB issued IFRS 9, Financial Instruments, (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). IFRS 9 (2009) establishes the measurement and classification of financial assets. Financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. IFRS 9 (2010) includes guidance on the classification and measurement of financial liabilities. The most recent amendment, IFRS 9 (2013) includes a new general hedge accounting model, which will align hedge accounting more closely with risk management. Additionally, the new standard removes the January 1, 2015 effective date. The new mandatory effective date of this standard is January 1, 2018. The Corporation is currently evaluating the impact of IFRS 9 on its financial statements and expects to apply the standard in accordance with its future mandatory effective date.

Financial Instruments

The Corporation's financial instruments include cash and cash equivalents and trade and other payables.

(a) Fair values:

The Corporation categorizes its fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows:

Level 1: observable inputs such as quoted prices in active markets;

Level 2: inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. The carrying amounts for cash and cash equivalents, which are measured at Level 1, and trade and other payables, approximate their fair value due to the short-term nature of the instruments.

(b) Financial risk management:

The following provides disclosures relating to the nature and extent of the Corporation's exposure to risks arising from financial instruments, including credit risk, liquidity risk, foreign currency risk, and interest rate risk, and how the Company manages those risks.

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's credit risk is attributable to cash. The Company manages such risk by holding cash with Canadian chartered banks with high creditworthiness.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they all due or that it will be required to meet them at excessive cost. The Company manages its liquidity risk mainly through raising funds from private placements and loans from related parties. the Corporation's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Corporation to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

(iii) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

(iv) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to interest rate risk.

Disclosure of Outstanding Share Data

The Company's issued and outstanding share capital as at the date of this report is as follows:
(1) Authorized: Unlimited common shares without par value.
(2) As at the date of this MD&A, the Company has 46,902,032 common shares, 2,149,020 options, and 1,319,050 warrants issued and outstanding.

Additional Disclosure For Junior Issuers

The Company has expensed the following material cost components:

	Nine-month period ended Sept. 30, 2015 $	From May 27, 2014 (Date of Inception) to Sept. 30, 2014 $
Advertising and promotion	56,316	588
Consulting fees	314,051	-
General and administrative	67,870	14,371
Listing cost	533,642	-
Professional fees	165,594	1,071
Salaries and benefits	131,568	48,942
Share-based payments	138,708	-
Transfer agent and regulatory fee	14,327	-
Travel	25,164	5,730

The advertising and promotion expenses were for printed marketing materials and booth rental for trade shows. The general and administrative expenses include office supplies, office software and equipment, supplies, and internet and telephone charges. The salaries and benefits include accrued payroll for management services that was subsequently converted to stock. The professional fees were for corporate counsel, annual audit, and related corporate matters.

The listing cost of $533,642 (2014 – $nil) was a one-time cost that was associated with the reverse acquisition of the Company and HSI. Amongst the listing cost is $160,326 of non-cash expenses. Share-based payment is a non-cash expense that relates to the stock options granted during the period.

Transfer agent and regulatory fee increased due to the fact that the company is now a listed company and will incur monthly transfer agent and regulatory fees. Travel expense increase because of increased travel relating to business development as a listed company.

RISK FACTORS

Risks Related to our business.

Limited Operating History:

The Company is a development stage technology company, which has a limited operating history and has no revenues derived from operations. Significant expenditures have been focused on the development, testing and launch of its hospital-to-hospital marketplace platform. The Company's near-term focus has been in actively attracting new development capital and attracting new member hospitals to utilize the Company's inventory-trading platform. As a result of these and other factors, the Company may not be able to achieve, sustain or increase profitability on an ongoing basis. The Company is subject to many risks common to development stage enterprises, including under capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, technology, and market acceptance issues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the Company's early stage of operations.

Problems Resulting from Rapid Growth:

The Company will be pursuing, from the outset, a plan to market its platform solutions to hospitals in North America and globally and will require capital in order to meet these growth plans and there can be no assurances that the Company's capital resources will enable the Company to meet these growth needs. The plan will place significant demands upon the Company's management, and resources. Besides attracting and maintaining qualified personnel, employees or contractors, the Company expects to require working capital and other financial resources to meet the needs of its planned growth. No assurance exists that the plans will be successful or that these items will be satisfactorily handled, and this may have material adverse consequence on the business of the Company.

Additional Financing will be Required:

The Company will need additional financing to continue its operations. Financing may not be available to the Company on commercially reasonable terms, if at all, when needed. There is no assurance that the Company will be successful in raising additional capital or that the proceeds of any future financings will be sufficient to meet its future capital needs.

Retention or Maintenance of Key Personnel:

There is no assurance that the Company can continuously attract, retain or maintain key personnel in a timely manner if the need arises, even though qualified replacements are believed by management to exist. Failure to have adequate personnel may materially harm the ability of The Company to operate. The Company considers the services of John Kupice, Chief Executive Officer, and Murray Walden, President to be key to the operation of the Company. While there can be no assurances as to the continued retention of these individuals, The Company believes that they are heavily incentivized through stock ownership, and other compensation, so that the risk of departure is low.

Regulatory Changes

The business of the Company is subject to rapid regulatory changes. Failure to keep up with such changes may adversely affect the business of the Company. Some of the changes are the Food and Drug Administrations ('FDA") implementation of the Universal Device Identifier (UDI) in September of 2015 and the tracking requirements for pharmaceuticals in the United States.

The Company's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered with companies whose businesses are regulated by various federal, state and local governments. The health care, wellness, workers compensation and similar companies are subject to a variety of regulatory requirements and the regulatory environment is ever changing particularly with recent legislation, the full impact of which is not yet understood as regulations have not been issued. Failure to follow regulatory requirements will have a detrimental impact on the business. Changes in legislation cannot be predicted and could irreparably harm the business.

Intellectual Property Rights

The Company could be adversely affected if it does not adequately protect its intellectual property rights. The Company regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Company's interests in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Company to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Company's copyrights, trademarks and similar proprietary rights, or that the Company will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Company believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Company. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Dependence on Continued Growth of Developing Online Commerce Market

The market for the sale of industry specific goods over the Internet, particularly through a secure/trusted membership platform, is a new and emerging market. The Company's future revenues and profits are substantially dependent upon the widespread acceptance and use of this Internet platform and other online services as a medium for commerce by consumers. Demand and market acceptance for recently introduced services and products over the Internet are subject to a high level of uncertainty. Growth in the Company's user base relies on obtaining consumers who have historically used traditional means of commerce to purchase goods. For the Company to be successful, these consumers must accept and use novel ways of conducting business and exchanging information.

In addition, the Internet may not be commercially viable in the long term for a number of reasons, including potentially inadequate development of the necessary network infrastructure or delayed development of enabling technologies, performance improvements and security measures. To the extent that the Internet continues to experience significant growth in the number of users, their frequency of use or their bandwidth requirements, there can be no assurance that the infrastructure for the Internet and other online services will be able to support the demands placed upon them. In addition, the Internet or other online services could lose their viability due to delays in the development or adoption of new standards and protocols required to handle increased levels of Internet or other online service activity, or due to increased governmental regulation. Changes in or insufficient availability of telecommunications services to support the Internet or other online services also could result in slower response times and adversely affect usage of the Internet and other online services generally and the Company's service in particular. If use of the Internet and other online services does not continue to grow or grows more slowly than expected, if the infrastructure for the Internet and other online services does not effectively support growth that may occur, or if the Internet and other online services do not become a viable commercial marketplace, the Company's business, results of operations and financial condition would be materially adversely affected.

Risk of Capacity Constraints

The Company seeks to generate a high volume of traffic and transactions on the Company's service platform. Accordingly, the satisfactory performance, reliability and availability of the Company's Web site, processing systems and network infrastructure are critical to the Company's reputation and its ability to attract and retain large numbers of users who transact sales on its platform while maintaining adequate customer service levels. The Company's revenues depend on the number of items listed by users, the volume of user transactions that are successfully completed and the final prices paid for the items listed. Any system interruptions that result in the unavailability of the Company's service or reduced customer activity would ultimately reduce the volume of items listed and transactions completed. Interruptions of service may also diminish the attractiveness of the Company and its services. Any substantial increase in the volume of traffic on the Company's Web site or in the number of transactions being conducted by customers will require the Company to expand and upgrade its technology, transaction processing systems and network infrastructure. There can be no assurance that the Company will be able to accurately project the rate or timing of increases, if any, in the use of the Company's platform or timely expand and upgrade its systems and infrastructure to accommodate such increases in a timely manner. Any failure to expand or upgrade its systems could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company uses internally developed systems to operate its service and for transaction processing, including billing and collections processing. The Company must continually enhance and improve these systems in order to accommodate the level of use of the Company. Furthermore, in the future, the Company may add additional features and functionality to its services that would result in the need to develop or license additional technologies. The Company's inability to add additional software and hardware or to develop and further upgrade its existing technology, transaction processing systems or network infrastructure to accommodate increased traffic on the Company's service or increased transaction volume through its processing systems or to provide new features or functionality may cause unanticipated system disruptions, slower response times, degradation in levels of customer service, impaired quality of the user's experience on the Company's service, and delays in reporting accurate financial information. There can be no assurance that the Company will be able in a timely manner to effectively upgrade and expand its systems or to integrate smoothly any newly developed or purchased technologies with its existing systems. Any inability to do so would have a material adverse effect on the Company's business, results of operations and financial condition.

Risk of System Failures

The Company's success, and in particular its ability to facilitate trades successfully and provide high quality customer service, depends on the efficient and uninterrupted operation of its computer and communications hardware systems. Substantially all of the Company's computer hardware for operating the Company service is located at Suite 132 850 E. Spokane Falls, Blvd. Spokane Washington and at dedicated hosted server facilities globally. These systems and operations are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, break-ins, sabotage, intentional acts of vandalism and similar events. Despite any precautions taken by, and planned to be taken by the Company, the occurrence of a natural disaster or other unanticipated problems at the Simple Helix facility could result in interruptions in the services provided by the Company. In addition, the failure by Simple Helix – (The global leader in hosting custom e-commerce solutions) to provide the data communications capacity required by the Company, as a result of human error, natural disaster or other operational disruption, could result in interruptions in the Company's service. We have tried to minimize this risk licensing dedicated servers that are replicated in multiple locations globally. Any damage to or failure of the systems of the Company could result in reductions in, or terminations of, the Company service, which could have a material adverse effect on the Company's business, results of operations and financial condition.

In the case of frequent or persistent system failures, the Company's reputation and name brand could be materially adversely affected. Although the Company has implemented certain network security measures, its servers are also vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions, delays, loss of data or the inability to complete customer auctions. In addition, although the Company works to prevent unauthorized access to the Company data, it is impossible to eliminate this risk completely. The occurrence of any and all of these events could have a material adverse effect on the Company business, results of operations and financial condition.

Low Barriers to Entry and Competition from Group Purchasing Organizations

There is high potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

There may be larger, better financed companies which may become competition for the Company.

At present, management believes that the Resulting Issuer has certain direct competition from Group Purchasing Organizations (the "GPO") is an entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members when comparing their respective business models. However, there are eight (8) large GPO's in the United States. These companies have the financial ability to change their business model and compete directly with the Company. Management believes that will be difficult for potential competitors to quickly and easily adopt our model because the competitor's contract and software framework would be costly and take significant time to adopt a marketplace model like the Company.

The market for commercial trading over the Internet is new, rapidly evolving and intensely competitive, and the Company expects competition to intensify further in the future. Barriers to entry are relatively low, and current and new competitors can launch new sites at a relatively low cost using commercially-available software. The Company currently or potentially competes with a number of other companies.

Competitive pressures created by any one of these companies, or by the Company's competitors collectively, could have a material adverse effect on the Company's business, results of operations and financial condition. The Company believes that the principal competitive factors in its market are volume and selection of goods, population of buyers and sellers, community cohesion and interaction, customer service, reliability of delivery and payment by users, brand recognition, Web site convenience and accessibility, price, quality of search tools and system reliability. Certain of the Company's current and many of the Company's potential competitors have longer operating histories, larger customer bases and greater brand recognition in other business and Internet markets and significantly greater financial, marketing, technical and other resources than the Company.

In addition, other online trading services may be acquired by, receive investments from or enter into other commercial relationships with larger, well-established and well- financed companies as use of the Internet and other online services increases. Therefore, certain of the Company's competitors with other revenue sources may be able to devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing policies and devote substantially more resources to Web site and systems development than the Company or may try to attract traffic by offering services for free. Increased competition may result in reduced operating margins, loss of market share and diminished value in the Company's brand. There can be no assurance that the Company will be able to compete successfully against current and future competitors. Further, as a strategic response to changes in the competitive environment, the Company may, from time to time, make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on its business, results of operations and financial condition.

New technologies and the expansion of existing technologies may increase the competitive pressures on the Company by enabling the Company's competitors to offer a lower-cost service. Certain Web-based applications that direct Internet traffic to certain Web sites may channel users to trading services that compete with the Company. Although the Company has established Internet traffic arrangements with several large online services and search engine companies, there can be no assurance that these arrangements will be renewed on commercially reasonable terms or that they will otherwise continue to result in increased usage of the Company service. In addition, companies that control access to transactions through network access or Web browsers could promote the Company's competitors or charge the Company substantial fees for inclusion. Any and all of these events could have a material adverse effect on the Company's business, results of operations and financial condition.

Risks associated with Brand Development

The Company believes that continuing to strengthen its brand is critical to achieving widespread acceptance of the Company, particularly in light of the competitive nature of the Company's market. Promoting and positioning its brand will depend largely on the success of the Company's marketing efforts and the ability of the Company to provide high quality services. In order to promote its brand, the Company will need to increase its marketing budget and otherwise increase its financial commitment to creating and maintaining brand loyalty among users. There can be no assurance that brand promotion activities will yield increased revenues or that any such revenues would offset the expenses incurred by the Company in building its brand. Further, there can be no assurance that any new users attracted to the Company will conduct transactions over the Company's platform on a regular basis. If the Company fails to promote and maintain its brand or incurs substantial expenses in an attempt to promote and maintain its brand or if the Company's existing or future strategic relationships fail to promote the Company's brand or increase brand awareness, the Company's business, results of operations and financial condition would be materially adversely affected.

Rapid Technological Change

The business of the Company is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company is subject to the risks of companies operating in the medical and healthcare business.

The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands. These market characteristics are exacerbated by the emerging nature of the Web and the apparent need of companies from a multitude of industries to offer Web-based products and services. Accordingly, the Company's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its services to evolving industry standards and to continually improve the performance, features and reliability of its service in response to competitive service and product offerings and evolving demands of the marketplace. The failure of the Company to adapt to such changes would have a material adverse effect on the Company's business, results of operations and financial condition. In addition, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require substantial expenditures by The Company to modify or adapt its services or infrastructure, which could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered with companies whose businesses are conducted on the Internet due to the rapid creation, introduction and adoption of new diagnostic and treatment technologies. As a result, an investment in securities of the Company is highly speculative and is only suitable for investors who recognize the high risks involved and can afford a total loss of investment. Additionally, there can be no assurances that The Company will be able to successfully secure, introduce and adopt new software and integration technologies so as to implement its business strategy or otherwise overcome the risks generally associated with companies whose businesses are conducted on the Internet.

Risks associated with New Services, Features and Functions

The Company plans to expand its operations by developing and promoting new or complementary services, products or transaction formats or expanding the breadth and depth of services. There can be no assurance that the Company would be able to expand its operations in a cost-effective or timely manner or that any such efforts would maintain or increase overall market acceptance. Furthermore, any new business or service launched by the Company that is not favorably received by consumers could damage the Company's reputation and diminish the value of its brand name. Expansion of the Company's operations in this manner would also require significant additional expenses and development, operations and other resources and would strain the Company's management, financial and operational resources. The lack of market acceptance of such services or the Company's inability to generate satisfactory revenues from such expanded services to offset their cost could have a material adverse effect on the Company's business, results of operations and financial condition.

Risks related to Consumer Trends

The Company derives substantially all of its revenues from commissions received upon the successful completion of sale transactions of the Sellers listed products on the H-Source platform.. The Company's future revenues will depend upon continued demand for the types of goods that are listed by users of the Company service. The value of listed items on the Company platform will fluctuate depending on the listing of inventory for sale by its customers, the frequency of transactions and the expiry dates for certain items. These trends will cause significant fluctuations in The Company's operating results from one quarter to the next. Any decline in demand for the goods offered through the Company service as a result of changes in consumer trends could have a material adverse effect on The Company's business, results of operations and financial condition.

Risks associated with Certain Activities on The Company's Service

The law relating to the liability of providers of online services for activities of their users on the service is currently unsettled. The Company does pre-screen the types of goods offered on the Company. The Company is aware that certain goods, such as restricted drugs and other goods that may be subject to regulation by local, state or federal authorities will not be traded on the Company service. There can be no assurance that the Company will be able to prevent the unlawful exchange of goods on its service or that it will successfully avoid civil or criminal liability for unlawful activities carried out by users through the Company's service. The imposition upon the Company of potential liability for unlawful activities of users of the Company service could require The Company to implement measures to reduce its exposure to such liability, which may require, among other things, The Company to spend substantial resources and/or or to discontinue certain service offerings. Any costs incurred as a result of such liability or asserted liability could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the Company's success depends largely upon sellers reliably delivering and accurately representing the listed goods and buyers paying the agreed purchase price. The Company has received in the past, and anticipates that it will receive in the future, communications from users who did not receive the purchase price or the goods that were to have been exchanged. While the Company can suspend the accounts of users who fail to fulfill their delivery obligations to other users, the Company, beyond crediting sellers with the amount of their fees in certain circumstances, does not have the ability to otherwise require users to make payments or deliver goods and the Company does not compensate users who believe they have been defrauded by other users. The Company also from time to time receives complaints from buyers as to the quality of the goods purchased. The Company may in the future receive additional requests from users requesting reimbursement or threatening legal action against the Company if no reimbursement is made. Any resulting litigation could be costly for the Company, divert management attention and could result in increased costs of doing business, or otherwise have a material adverse effect on the Company's business, results of operations and financial condition. Any negative publicity generated as a result of fraudulent or deceptive conduct by users of the Company could damage the Company's reputation and diminish the value of its brand name, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Online Commerce Security Risks

A significant barrier to online commerce and communications is the secure transmission of confidential information over public networks. The Company relies on encryption and authentication technology licensed from third parties to provide the security and authentication technology to effect secure transmission of confidential information.. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments will not result in a compromise or breach of the technology used by The Company to protect customer transaction data. If any such compromise of The Company's security were to occur, it could have a material adverse effect on The Company's reputation and, therefore, on its business, results of operations and financial condition. Furthermore, a party who is able to circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in the Company's operations. The Company may be required to expend significant capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches. Concerns over the security of transactions conducted on the Internet and other online services and the privacy of users may also inhibit the growth of the Internet and other online services generally, and the Web in particular, especially as a means of conducting commercial transactions. To the extent that activities of the Company involve the storage and transmission of proprietary information, security breaches could damage the Company's reputation and expose the Company to a risk of loss or litigation and possible liability. The Company's insurance policies carry low coverage limits, which may not be adequate to reimburse the Company for losses caused by security breaches. There can be no assurance that the Company's security measures will prevent security breaches or that failure to prevent such security breaches will not have a material adverse effect on the Company's business, results of operations and financial condition.

Risks associated with Acquisitions

If appropriate opportunities present themselves, the Company intends to acquire businesses, technologies, services or products that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services or products might require the Company to obtain additional equity or debt financing, which might not be available on terms favorable to the Company, or at all, and such financing, if available, might be dilutive

Dependence on the Web Infrastructure

The success of the Company service will depend in large part upon the development and maintenance of the Web infrastructure, such as a reliable network backbone with the necessary speed, data capacity and security, or timely development of complementary products such as high speed modems, for providing reliable Web access and services. Because global commerce and the online exchange of information are new and evolving, it is difficult to predict with any assurance whether the Web will prove to be a viable commercial marketplace in the long term. The Web has experienced, and is expected to continue to experience, significant growth in the numbers of users and amount of traffic. To the extent that the Web continues to experience increased numbers of users, frequency of use or increased bandwidth requirements of users, there can be no assurance that the Web infrastructure will continue to be able to support the demands placed on it by this continued growth or that the performance or reliability of the Web will not be adversely affected. These outages and delays could adversely affect the level of Web usage and also the level of traffic and the processing of auctions on the Company.

In addition, the Web could lose its viability due to delays in the development or adoption of new standards and protocols to handle increased levels of activity or due to increased governmental regulation. There can be no assurance that the infrastructure or complementary products or services necessary to make the Web a viable commercial marketplace for the long term will be developed or that if they are developed, that the Web will become a viable commercial marketplace for services such as those offered by the Company. If the necessary infrastructure, standard or protocols or complementary products, services or facilities are not developed, or if the Web does not become a viable commercial marketplace, The Company's business, results of operations and financial condition will be materially and adversely affected. Even if the infrastructure, standards or protocols or complementary products, services or facilities are developed and the Web becomes a viable commercial marketplace in the long term, The Company might be required to incur substantial expenditures in order to adapt its service to changing Web technologies, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Risks associated with Information Disseminated through the Company's Service

The law relating to the liability of online services companies for information carried on or disseminated through their services is currently unsettled. It is possible that claims could be made against online services companies under both United States and foreign law for defamation, libel, invasion of privacy, negligence, copyright or trademark infringement, or other theories based on the nature and content of the materials disseminated through their services. Several private lawsuits seeking to impose such liability upon other online services companies are currently pending. In addition, legislation has been proposed that imposes liability for or prohibits the transmission over the Internet of certain types of information. The imposition upon the Company and other online services providers of potential liability for information carried on or disseminated through their services could require the Company to implement measures to reduce its exposure to such liability, which may require the Company to expend substantial resources and/or to discontinue certain service offerings. In addition, the increased attention focused upon liability issues as a result of these lawsuits and legislative proposals could impact the growth of Internet use. While the Company carries liability insurance, it may not be adequate to fully compensate the Company in the event the Company becomes liable for information carried on or disseminated through its service. Any costs not covered by insurance incurred as a result of such liability or asserted liability could have a material adverse effect on the Company's business, results of operations and financial condition.

Governmental Regulation and Legal Uncertainties

The Company is not currently subject to direct federal, state or local regulation, and laws or regulations applicable to access to or commerce on the Internet, other than regulations applicable to businesses generally. However, due to the increasing popularity and use of the Internet and other online services, it is possible that a number of laws and regulations may be adopted with respect to the Internet or other online services covering issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights and information security.

Several states have also proposed legislation that would limit the uses of personal user information gathered online or require online services to establish privacy policies. The Federal Trade Commission has also recently settled a proceeding with one online service regarding the manner in which personal information is collected from users and provided to third parties. Changes to existing laws or the passage of new laws intended to address these issues, including some recently proposed changes, could create uncertainty in the marketplace that could reduce demand for the services of the Company or increase the cost of doing business as a result of litigation costs or increased service delivery costs, or could in some other manner have a material adverse effect on the Company's business, results of operations and financial condition. In addition, because the Company's services are accessible worldwide, and the Company facilitates sales of goods to users worldwide, other jurisdictions may claim that the Company is required to qualify to do business as a foreign corporation in a particular state or foreign country. The Company is qualified to do business in all fifty states in the United States, and failure by the Company to qualify as a foreign corporation in a jurisdiction where it is required to do so could subject the Company to taxes and penalties for the failure to qualify and could result in the inability of the Company to enforce contracts in such jurisdictions. Any such new legislation or regulation, or the application of laws or regulations from jurisdictions whose laws do not currently apply to the Company's business, could have a material adverse effect on the Company's business, results of operations and financial condition.

Sales and Other Taxes

At present the Company does not collect sales or other similar taxes in respect of goods sold by users through the Company service. However, one or more states may seek to impose sales tax collection obligations on out-of-state companies such as the Company which engage in or facilitate online commerce, and a number of proposals have been made at the state and local level that would impose additional taxes on the sale of goods and services through the Internet. Such proposals, if adopted, could substantially impair the growth of electronic commerce, and could adversely affect the Company's opportunity to derive financial benefit from such activities. Moreover, a successful assertion by one or more states or any foreign country that the Company should collect sales or other taxes on the exchange of merchandise on its system could have a material adverse effect on the Company's business, results of operations and financial condition.

Legislation limiting the ability of the states to impose taxes on Internet-based transactions has been proposed in the U.S. Congress. There can be no assurance that this legislation will ultimately be enacted into law or that the final version of this legislation will not contain a limited time period in which such tax moratorium will apply. In the event that the tax moratorium is imposed for a limited time period, there can be no assurance that the legislation will be renewed at the end of such period. Failure to enact or renew this legislation could allow various states to impose taxes on Internet- based commerce and the imposition of such taxes could have a material adverse effect on the Company's business, results of operations and financial condition.

Risks associated with International Operations

A component of the Company's strategy is to expand internationally. Expansion into the international markets will require management attention and resources. The Company has limited experience in localizing its service, and the Company believes that many of its competitors are also undertaking expansion into foreign markets. There can be no assurance that the Company will be successful in expanding into international markets. In addition to the uncertainty regarding the Company's ability to generate revenues from foreign operations and expand its international presence, there are certain risks inherent in doing business on an international basis, including, among others, regulatory requirements, legal uncertainty regarding liability, tariffs, and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, different accounting practices, problems in collecting accounts receivable, political instability, seasonal reductions in business activity and potentially adverse tax consequences, any of which could adversely affect the success of the Company's international operations. To the extent the Company expands its international operations and has additional portions of its international revenues denominated in foreign currencies, the Company could become subject to increased risks relating to foreign currency exchange rate fluctuations. There can be no assurance that one or more of the factors discussed above will not have a material adverse effect on the Company's future international operations and, consequently, on the Company's business, results of operations and financial condition.

Protection and Enforcement of Intellectual Property Rights

The Company regards the protection of its copyrights, service marks, trademarks, trade dress and trade secrets as critical to its future success and relies on a combination of copyright, trademark, service mark and trade secret laws and contractual restrictions to establish and protect its proprietary rights in products and services. The Company has entered into confidentiality and invention assignment agreements with its employees and contractors, and nondisclosure agreements with parties with which it conducts business in order to limit access to and disclosure of its proprietary information. There can be no assurance that these contractual arrangements or the other steps taken by the Company to protect its intellectual property will prove sufficient to prevent misappropriation of the Company's technology or to deter independent third-party development of similar technologies.

The Company pursues the registration of its trademarks and service marks in the U.S. and internationally. Effective trademark, service mark, copyright and trade secret protection may not be available in every country in which the Company's services are made available online.

To date, The Company has not been notified that its technologies infringe the proprietary rights of third parties, but there can be no assurance that third parties will not claim infringement by the Company with respect to past, current or future technologies. The Company expects that participants in its markets will be increasingly subject to infringement claims as the number of services and competitors in the Company's industry segment grows. Any such claim, whether meritorious or not, could be time-consuming, result in costly litigation, cause service upgrade delays or require the Company to enter into royalty or licensing agreements. Such royalty or licensing agreements might not be available on terms acceptable to the Company or at all. As a result, any such claim could have a material adverse effect upon The Company's business, results of operations and financial condition.

Market Risk for Securities

The Company is a privately held corporation and there is no market for its securities.

Uninsured or Uninsurable Risk

We may become subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for our usual business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our financial position and operations.

Conflicts of Interest Risk

Directors or officers who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to our best interests.

Key Personnel Risk

Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

No Established Market for Shares Risk

There is currently no established trading market through which common shares in our authorized capital may be sold. Even if a trading market develops, there can be no assurance that such market will continue in the future.

Going-Concern Risk

The financial statements of the Company have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. Our future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that we will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future, while we establish a client base for our product. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to us and our management. If uncertain market conditions persist, our ability to raise capital could be jeopardized, which could have an adverse impact on our operations.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. We expect to retain our earnings to finance further growth and, when appropriate, retire debt.