

Migao Corporation

Management Discussion and Analysis

Third Quarter, Fiscal 2007

Ended June 30, 2007

August 13, 2007

The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Migao Corporation (the "Company" or "Migao") and the financial performance for the three and nine months periods ended June 30, 2007. This discussion and analysis should be read in conjunction with the unaudited Interim Consolidated Financial Statements and related notes as at and for the period ended June 30, 2007 and the audited Consolidated Financial Statements and related notes as at and for the period ended September 30, 2006. Reference should also be made to the Company's filings with Canadian securities regulatory authorities which are available at www.sedar.com.

All amounts are in Canadian dollars unless otherwise noted and prepared in accordance with Canadian Generally Accepted Accounting Policies.

At June 30, 2007, the Company had 36,186,133 common shares outstanding. At August 13, 2007, the Company has 36,989,428 common shares outstanding.

Forward-Looking Information

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address Migao's expectations, should be considered forward-looking statements. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize. The forward-looking statements made in this MD&A describe our expectations as at August 13, 2007.

For a description of material factors that could cause our actual results to differ materially from the forward-looking statements in this MD&A, please see the Risk Factors section starting on page 13.

Overview

Migao, through its wholly owned subsidiaries (referred herewith as “Sichuan Migao”, “Guangdong Migao”, “Liaoning Migao”, “Shanghai Migao” and “Changchun Migao”), owns land use rights and/or operates fertilizer production plants in various strategic locations in the People’s Republic of China (“PRC”) for the production and sales of specialty potash fertilizer (potassium nitrate and potassium sulphate), along with their by-products, to domestic markets in China. These fertilizers provide China’s economic crop (i.e. tobacco, fruit and vegetable) growers added opportunities for improving crop quality and increasing crop yield in an environmentally responsible manner, and contributing to the overall agricultural development of China.

China has few potash reserves and all are concentrated in the northwest where transportation costs to the economically developed eastern and southern coastal regions are prohibitive. Because of this shortage, the development of nitrogenous and phosphorous fertilizers in China has been rapid but the development of potash fertilizer has been slow, causing a usage imbalance. Migao is positioned to capitalize on the value added chemical fertilizer market in China.

In addition to measures based on generally accepted accounting principles (“GAAP”) in this MD&A, terms such as earnings before interest, taxes, depreciation and amortization (“EBITDA”); EBITDA margin are not defined by GAAP, and our use of such terms or measurement of such items may vary from that of other companies.

Quarterly Results

<i>in thousands of Canadian dollars except per share data</i>	<u>Fiscal 2007</u>			<u>Fiscal 2006</u>			
	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>
Sales	26,865	27,712	21,731	15,434	15,426	15,100	12,388
Gross profit	6,339	6,281	4,674	3,626	3,113	4,310	2,701
Selected operating expenses:							
Selling	950	1,335	980	592	193	771	463
G & A	968	1,018	746	694	545	367	278
Professional	321	179	212	156	124	69	151
Stock-based compensation	186	245	251	251	120	-	-
Income taxes	791	200	128	112	161	157	-
Net income	3,167	3,338	2,409	1,956	2,006	2,949	1,686
EBITDA	4,530	4,250	3,087	2,592	2,439	3,319	1,690
EPS:							
Basic	0.09	0.10	0.08	0.08	0.08	NA	NA
Diluted	0.08	0.10	0.08	0.08	0.08	NA	NA

Results of Operations

Consolidated Results The following table sets out the Company's consolidated results for the quarter and nine months ended June 30, 2007, compared with the same periods last year.

<i>In thousands of Canadian dollars (except for % figures)</i>	Q3 2007	Q3 2006	Increase (Decrease)	% Increase (Decrease)	YTD 2007	YTD 2006	Increase (Decrease)	% Increase (Decrease)
Sales	26,865	15,426	11,439	74%	76,308	42,915	33,393	78%
Gross profit	6,339	3,113	3,226	104%	17,293	10,124	7,169	71%
Gross profit (% of sales)	23.60%	20.18%	3.42%	17%	22.66%	23.59%	(0.93%)	(4%)
Selling expenses	950	193	757	392%	3,265	1,427	1,838	129%
Selling expenses (% of sales)	3.54%	1.25%	2.29%	183%	4.28%	3.32%	0.96%	29%
G & A	968	545	423	78%	2,732	1,315	1,417	108%
G & A (% of sales)	3.60%	3.53%	0.07%	1.98%	3.58%	3.06%	0.52%	17%
Professional	321	124	197	159%	711	344	367	107%
Professional (% of sales)	1.19%	0.80%	0.39%	49%	0.93%	0.80%	0.13%	16%
Stock-based compensation	186	120	66	55%	682	120	562	468%
Stock-based compensation (% of sales)	0.69%	0.78%	(0.09%)	(12%)	0.89%	0.28%	0.61%	218%
Other income	44	36	8	22%	130	41	89	217%
Other income (% of sales)	0.17%	0.23%	(0.06%)	(26%)	0.17%	0.10%	0.07%	70%
Income taxes	791	161	630	391%	1,119	318	801	252%
Income taxes (% of sales)	2.94%	1.04%	1.90%	183%	1.47%	0.74%	0.73%	99%
Effective tax rate (% of net income before tax)	19.98%	7.44%	12.54%	169%	11.15%	4.57%	6.58%	144%
EBITDA	4,530	2,439	2,091	86%	11,868	7,448	4,420	59%
EBITDA (% of sales)	16.86%	15.81%	1.05%	7%	15.55%	17.36%	(1.81%)	(10%)
Net income (loss)	3,167	2,006	1,161	58%	8,914	6,641	2,273	34%
Net income (loss) (% of sales)	11.79%	13.00%	(1.21%)	(9%)	11.68%	15.47%	(3.79%)	(25%)
Earnings per share (in Canadian dollars)								
Basic	0.09	0.08			0.28	0.31		
Diluted	0.08	0.08			0.27	0.31		
Weighted average number of common shares outstanding								
Basic	36,019,784	24,186,216			32,334,403	21,662,072		
Diluted	38,399,026	24,260,457			33,292,664	21,686,819		

Revenues

Revenues for the quarter ended June 30, 2007 decreased by \$0.8 million (or 3%) compared with the previous quarter ended March 31, 2007. The decreased revenue is due to the average exchange rate differences for the two quarters. The actual revenue in Chinese Renminbi (“RMB”) is in fact increased by over RMB 4 million over the previous quarter.

Revenues for the quarter and the nine months ended June 30, 2007 increased by \$11.4 million (or 74%) and \$33 million (or 78%), respectively, compared with the same periods last year. The significant increases are mainly due to the expanded production capacity in all facilities. The run rate for the core products was at 200,000 tonnes as of June 30, 2007, compared with 120,000 tonnes as of June 30, 2006.

The following is a summary of the Company’s facilities and production capacities as of June 30, 2007.

	Core Product	Annual Capacity (tonnes)	By-Product	Annual Capacity (tonnes)	Production Commencement
Sichuan					
- Phase I	Potassium Nitrate	20,000	Ammonium Chloride	11,200	December 2003
- Phase II	Potassium Nitrate	20,000	Ammonium Chloride	11,200	September 2004
- Phase III (Stage I)	Potassium Nitrate	20,000	Ammonium Chloride	11,200	November 2006
Guangdong					
- Phase I	Potassium Sulphate	40,000	Hydrochloric Acid	48,000	December 2004
- Phase II (Stage I)	Potassium Sulphate	40,000	Hydrochloric Acid	48,000	November 2006
- Phase II (Stage II)	Potassium Sulphate	20,000	Hydrochloric Acid	24,000	January 2007
Liaoning					
- Phase I	Potassium Sulphate	40,000	Hydrochloric Acid	48,000	December 2005
Total		200,000		201,600	

Note: “Annual Capacity” denotes the design capacities of the facilities. Actual production has exceeded design capacities by 5 to 10 percent annually.

The Company continues to see strong demand for its core products: potassium nitrate and potassium sulphate, as well as its by-products: ammonium chloride and hydrochloric acid.

Migao earns all of its revenues in Chinese Renminbi. Accordingly, reported revenues will fluctuate with changes in the exchange rate to Canadian dollars. The average exchange rate for the quarter ended June 30, 2007 was \$0.1430 to 1 Chinese Renminbi. The average exchange rate for the quarter ended June 30, 2006 was \$0.1401 to 1 Chinese Renminbi. The average exchange rate for the previous quarter ended March 31, 2007 was \$0.1510 to 1 Chinese Renminbi.

Geographic Revenues

The Company earns virtually all of its revenues in the People's Republic of China, with only minor export sale. At the moment, there is no plan to expand into exporting products on a large scale, as the Chinese demand is far from satiated.

Gross Profit

Gross profit for the quarter ended June 30, 2007 increased slightly by \$0.06 million (or 1%) compared with the previous quarter ended March 31, 2007. Gross margin as a percentage of sales for the quarter ended June 30, 2007 increased by 0.9% to 23.6% (from 22.7%) compared with the previous quarter ended March 31, 2007.

Gross profit for the quarter and nine months ended June 30, 2007 increased by \$3.2 million (or 104%) and \$7.2 million (or 71%), respectively, compared with the same periods last year. Gross margin as a percentage of sales for the quarter and nine months ended June 30, 2007 increased by 3.4% to 23.6% (from 20.2%) and decreased by 0.9% to 22.7% (from 23.6%), respectively, compared with the same periods last year. Increases in gross profit are due to expanded capacity which has increased production efficiency.

Selling Expenditures

Selling expenditures for the quarter ended June 30, 2007 decreased by 0.4 million (or 29%) compared with the previous quarter ended March 31, 2007. Selling expenditures as a percentage of sales for the quarter ended June 30, 2007 decreased by 1.3% to 3.5% (from 4.8%) compared with the previous quarter ended March 31, 2007.

Selling expenditures for the quarter and nine months ended June 30, 2007 increased by \$0.8 million (or 392%) and \$1.8 million (or 129%), respectively, compared with the same period last year. Selling expenditures as a percentage of sales for the quarter and nine months ended June 30, 2007 increased by 2.3% to 3.5% (from 1.2%) and increased slightly by 1% to 4.3% (from 3.3%) compared with the same period last year.

Selling expenditures also include transportation and related costs incurred for delivery of goods to customers and depreciation on capital assets used by the sales department.

General and Administrative Expenditures

General and administrative expenditures for the quarter ended June 30, 2007 decreased slightly by \$0.05 million (or 5%) compared with the previous quarter ended March 31, 2007. General and administrative expenditures as a percentage of sales for the quarter ended June 30, 2007 decreased slightly by 0.1% to 3.6% (from 3.7%) compared with the previous quarter ended March 31, 2007. The slight decrease in general and administrative expenses is mainly due to the reduced public company related costs during the quarter, offset by a one time charge of \$0.17 million for TSX graduation fee, compared with the previous quarter ended March 31, 2007.

General and administrative expenditures for the quarter and nine months ended June 30, 2007 increased by \$0.4 million (or 78%) and \$1.4 million (or 108%), respectively, compared with the same periods last year. General and administrative expenditures as a percentage of sales for the quarter and nine months ended June 30, 2007 increased slightly by 0.1% to 3.6% (from 3.5%) and by 0.5% to 3.6% (from 3.1%) compared with the same periods last year.

General and administrative expenditures include personnel costs for production, finance, human resources and management staff as well as facilities expenses, supplies and equipment depreciation.

Professional and Consulting Expenditures

Professional and consulting expenditures for the quarter ended June 30, 2007 increased by \$0.14 million (or 79%) compared with the previous quarter ended March 31, 2007. Professional and consulting expenditures as a percentage of sales for the quarter ended June 30, 2007 increased by 0.6% to 1.2% (from 0.6%) compared with the previous quarter ended March 31, 2007. The increase in professional and consulting expenses is mainly due to the legal fees related to the TSX graduation application process.

Professional and consulting expenditures for the quarter and nine months ended June 30, 2007 increased by \$0.2 million (or 159%) and \$0.4 million (or 107%), respectively, compared with the same periods last year. Professional and consulting expenditures as a percentage of sales for the quarter and nine months ended June 30, 2007 increased slightly by 0.4% to 1.2% (from 0.8%) and by 0.1% to 0.9% (from 0.8%) compared with the same periods last year.

Professional and consulting expenditures mainly include corporate level legal, accounting, auditing, consulting and directors' fee.

Earnings

Net earnings for the quarter ended June 30, 2007 decreased slightly by \$0.17 million (or 5%) compared with the previous quarter ended March 31, 2007. Net earnings as a percentage of sales for the quarter ended June 30, 2007 decreased slightly by 0.2% to 11.8% (from 12%) compared with the previous quarter ended March 31, 2007. The slight decrease in net earnings compared to the previous quarter is mainly due to the average foreign exchange differences between the two periods. The actual net earnings from the operational facilities in fact increased by RMB 1.6 million for the quarter ended June 30, 2007 compared with the previous quarter ended March 31, 2007, with production capacities remain the same.

Net earnings for the quarter and nine months periods ended June 30, 2007 increased by \$1.2 million (or 58%) and \$2.3 million (or 34%), respectively, compared with the same periods last year. Net earnings as a percentage of sales for the quarter and nine months ended June 30, 2007 decreased by 1.2% to 11.8% (from 13%) and 3.8% to 11.7% (from 15.5%), respectively, compared with the same periods last year.

Earnings before Income Taxes, Depreciation and Amortization (“EBITDA”)

EBITDA for the quarter ended June 30, 2007 increased by \$0.28 million (or 7%) compared with the previous quarter ended March 31, 2007. EBITDA as a percentage of sales for the quarter ended June 30, 2007 increased by 1.52% to 16.86% (from 15.34%) compared with the previous quarter ended March 31, 2007.

EBITDA for the quarter and nine months periods ended June 30, 2007 increased by \$2.1 million (or 86%) and \$4.4 million (or 59%), respectively, compared with the same periods last year. EBITDA as a percentage of sales for the quarter and nine months ended June 30, 2007 increased by 1.05% to 16.86% (from 15.81%) and decreased by 1.81% to 15.55 (from 17.36%), respectively, compared with the same periods last year.

Income Tax Rates

Income tax is levied on a calendar year basis separately for each subsidiary of the Company in accordance with the tax regulations of the People’s Republic of China. Each of the Company’s operating facilities has been and will be enjoying the “Exempt Two, Reduced Three” income tax policy for being wholly foreign owned enterprise (“WFOE”), and are income tax exempt for the first two profitable years and at a reduced rate (50% of normal State level income tax plus local tax) for the next three profitable years. More specifically, Sichuan Migao was exempt from income tax for the calendar year 2004 and 2005, and started to pay a combined 10.5% income tax (reduced from the normal 33% - 30% State level plus 3% local) from beginning of calendar 2006 until the end of calendar 2008.

Guangdong Migao was exempt from income tax for the calendar year 2005 and 2006, and started to pay a combined 18% income tax (reduced from the normal 33% - 30% State level plus 3% local) from beginning of calendar 2007 until the end of calendar 2009.

Liaoning Migao is exempt from income tax for the calendar year 2006 and 2007, and will start to pay a combined 18% income tax (reduced from the normal 33% - 30% State level plus 3% local) from beginning of calendar 2008 until the end of calendar 2010.

The National People’s Congress of China approved legislation relating to tax reforms on March 16, 2007. As of January 1, 2008, the tax incentives for WFOE’s will be removed with the State level income tax rate reduced to 25% from 30%. The three operating subsidiaries of the Company will enjoy the tax holidays as summarized above with new State level income tax rate applicable once coming out of its respective tax holiday period. It is our belief that the two subsidiaries (Changchun Migao & Shanghai Migao) currently under construction will be enjoying the similar tax holiday as the three operational subsidiaries for their first five profitable years upon commencement of operation. However, no certainty can be provided as no advance ruling is to be issued.

Expansion Projects**Sichuan Migao**

Stage two of the Phase III potassium nitrate project, which will add an additional 20,000 tonnes of potassium nitrate capacity, is scheduled to be completed during the last quarter of fiscal 2007 (the three months ending September 30, 2007).

Shanghai Migao

On November 11, 2006, the Company announced that a potassium sulphate facility, with 40,000 tonnes of initial capacity, will be constructed in the city of Shanghai and is scheduled to be completed by early calendar year 2008.

Changchun Migao

On February 27, 2007, the Company announced that a potassium sulphate facility, with 40,000 tonnes of initial capacity, will be constructed in the city of Changchun, province of Jilin and was originally scheduled to be completed by the early part of the calendar year 2008. The facility will be completed and put into production ahead of the original schedule by the end of calendar 2007, with first 20,000 tonnes of initial capacity completed by the end of October 2007.

Liquidity and Capital Resources

<i>(in thousands of Canadian dollars except for ratios)</i>	June 30, 2007	September 30, 2006
Current Ratio	5.01 : 1	2.89 : 1
Cash	15,317	16,316
Working Capital	42,592	19,362
Total Assets	91,034	57,087
Total Debt	10,624	10,228
Total Equity	80,410	46,859
Debt to Equity Ratio	0.13 : 1	0.22 : 1

Cash Position

Cash and cash equivalents totalled \$15.3 million as of June 30, 2007, representing a decrease of \$1 million and \$10.25 million compared with the balances as of September 30, 2006 and March 31, 2007, respectively. The decrease for the quarter ended June 30, 2007 is a result of \$2.8 million of cash flow from bank loan, \$2.5 million from exercise of options and warrants, offset by \$1.2 million repayments of related parties loans, \$2.3 million invested in capital assets for the construction of Sichuan, Shanghai and Changchun Migao, \$0.4 million payments for land use rights and \$11.4 million used in operations.

Migao has approximately \$2 million of land use rights payable. These payables may come due in the fourth quarter of fiscal 2007.

The Company believes that its current cash position is sufficient to meet the ongoing needs of the business. However, the Company may choose to access capital markets and/or bank financing for funding of future expansion and other opportunities.

Working Capital

Working capital was \$42.6 million as of June 30, 2007, representing an increase of \$23.2 million and \$1.6 million compared with balances as of September 30, 2006 and March 31, 2007, respectively. This latter increase is primarily attributable to the \$6.4 million increase in accounts receivable, \$8.5 million increase in inventory, \$1.2 million decrease in customer deposits, and \$1.2 million decrease in related party advances, offset by \$2.5 million decrease in prepayments, \$3.1 million increase in bank indebtedness, accounts payable and accrued liabilities and \$10.3 million decrease in cash and cash equivalents.

The increase in accounts receivable as of June 30, 2007 compared to March 31, 2007 is in line with management experience and historical trend during this period.

Plant and Equipment, Construction in Progress, Land Use Rights

Plant and equipment net of accumulated depreciation and amortization was \$21 million at June 30, 2007 compared with \$13.5 million and \$23.4 million as of September 30, 2006 and March 31, 2007, respectively. The decrease during the quarter ended June 30, 2007 is partly due to the appreciation of Canadian dollar against Chinese RMB as of June 30, 2007 compared to March 31, 2007. On June 11, 2007, Guangdong Migao was approved by the local tax authority for tax credits totalling \$0.86 million (RMB 6 million) on purchases of domestic equipment during calendar year 2006. These credits will be applied against future profit taxes levied to Guangdong Migao, and used to offset the capital costs of its plant and equipment.

Construction in progress was \$4.1 million at June 30, 2007 compared with \$6.2 million and \$2.2 million as of September 30, 2006 and March 31, 2007, respectively. The balance consists mainly of the construction costs attributed to Sichuan, Shanghai and Changchun Migao.

Land use rights net of accumulated amortization was \$12.7 million at June 30, 2007 compared with \$7.8 million and \$13.1 million as of September 30, 2006 and March 31, 2007. The decrease during the quarter ended June 30, 2007 is mainly due to the appreciation of Canadian dollar against Chinese RMB as of June 30, 2007 compared to March 31, 2007.

Contractual Obligations Summary

- Purchase commitments for raw materials and supplies in the amount of \$8.5 million (RMB 61 million) exist as of June 30, 2007. They were entered into in the normal course of business.

- Commitments on capital expenditures in the amount of \$4.6 million (RMB 33 million) exist as of June 30, 2007. They were entered into in the normal course of business.

Capital Structure

The Company is authorized to issue an unlimited number of common shares, each common share providing the holder with one vote. As of August 13, 2007, there were:

- 36,989,428 common shares outstanding.
- 1,185,000 stock options outstanding, with exercise prices of between \$2.85 to \$8.46, and weighted average contractual life of 3.99 years. 288,333 of these stock options are exercisable as of August 13, 2007.
- 2,357,083 warrants outstanding, with exercise price of \$3.70, exercisable before May 18, 2008.
- 2,852,950 warrants outstanding, with exercise price of \$5.30, exercisable before February 22, 2009.
- 8,362 agent compensation options outstanding, with exercise price of \$2.85 per compensation unit. Each compensation unit consists of one common share of the Company and one-half warrant. Each whole warrant entitles the agent to purchase one common share at \$3.70 before May 18, 2008.
- 225,938 agent compensation options outstanding, with exercise price of \$4.15 per compensation unit. Each compensation unit consists of one common share of the Company and one-half warrant. Each whole warrant entitles the agent to purchase one common share at \$5.30 before February 22, 2009.

Off-Balance Sheet Arrangement

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 Migao including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions with Related Parties

As of June 30, 2007, amount due from Liaoning Yongcheng Economic and Trade Development Co. Ltd. ("LYEDC") was \$7,884. LYEDC and the Company are ultimately controlled by the same shareholder. The amounts are non-interest bearing and due on demand.

Proposed Transactions

Other than as disclosed, Migao is not a party to any proposed transaction that may have an effect on the financial condition, results of operations or cash flows or proposed asset or business acquisition or disposition.

Critical Accounting Policies

This MD&A should be read in conjunction with the Company's unaudited Consolidated Financial Statements for the three and nine month periods ended June 30, 2007, and the audited Consolidated Financial Statements for the year ended September 30, 2006 and the notes thereto. Those Consolidated Financial Statements outline the accounting principles and policies used to prepare our financial statements. The critical accounting policies of the Company are outlined in our Fiscal 2006 MD&A and remain substantially unchanged. Accounting policies are critical if they rely on a substantial amount of judgment in their application or if they result from a choice between accounting alternatives and that choice has a material impact on reported results or financial position.

Accounting policy changes including initial adoption

Effective October 1, 2006, the Company implemented the new CICA accounting sections: 3855 (Financial Instruments – Recognition and Measurement), 3865 (Hedges), and 1530 (Comprehensive Income). These new accounting policy changes have been implemented prospectively with no restatement of comparative financial statements, except as noted below.

Comprehensive income includes net income and other comprehensive income. It is defined as the change in equity (net assets) of a company during the period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during the period except those resulting from investments by owners and distributions to owners. The only item included in other comprehensive income is the foreign currency translation of self-sustaining foreign operations. As a result, the previously recorded currency translation account on the consolidated balance sheets' shareholders' equity section has been eliminated and included as "accumulative other comprehensive income" in shareholders' equity. Furthermore, the gain (or loss) from translating the Company's self-sustaining foreign operations is now recorded as other comprehensive income. Prior years' financial statements have been restated to reflect this change. The Company's earnings per share presented on the consolidated statements of income is based upon its net income and not comprehensive income.

The adoption of sections 3855 and 3865 had no impact on the Company's financial statements.

Financial Instruments and Other Instruments

Migao is not a party to any financial instrument, as the term is defined in National Instrument 51-102F1, paragraph 1.14.

Risk Factors

The Company is exposed to a variety of risks in the normal course of operations. In the Management Information Circular of HK Migao dated April 10, 2006, it provided a detailed review of the risks that could affect its financial condition, results of operations or business and that could cause actual results to differ materially from those expressed in our forward-looking statements. In management's opinion, there has been no material change in the nature or magnitude of the risks faced by the Company.