NEWCASTLE RESOURCES LTD.

FORM 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

April 30, 2011

The following management discussion and analysis of the financial position, results of operations and cash flows of Newcastle Resources Ltd. (the "**Company**" or "**Newcastle**") for the year ended December 31, 2010 includes information up to and including April 30, 2011 and should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008. Our consolidated financial statements were prepared in accordance with generally accepted accounting principles in Canada. All amounts included in the Company's financial statements and MD&A are expressed in Canadian dollars unless otherwise indicated.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the various risks and uncertainties set forth in this MD&A. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

Nature and History of Operations

Newcastle was incorporated under the laws of the Province of Ontario and is extra-provincially registered in the Province of British Columbia. It is a reporting issuer under the securities laws of both the Province of Ontario and the Province of British Columbia. It is a foreign private issuer in the United States. Its common shares trade in the United States on the OTCQB under the trading symbol "NCSLF". Prior to December 22, 2010, Newcastle was a mineral exploration company.

TrichoScience Innovations Inc. ("**TrichoScience**") was incorporated on September 7, 2006 under the provisions of the Canada Business Corporations Act. It is a development stage company that has not yet realized any

revenues from its planned operations. TrichoScience was largely inactive until 2009 and is now in the business of the development of a non-surgical hair cell replication technology to cure pattern baldness and general hair loss in both men and women. On December 22, 2010, TrichoScience became a subsidiary of Newcastle. As the shareholders of TrichoScience controlled more than 50% of the issued, voting common shares and preferred shares of Newcastle subsequent to the share exchange, Newcastle determined to treat the business combination as a reverse takeover, with TrichoScience as the acquirer for accounting purposes. Due to the application of reverse takeover accounting, the Company's consolidated financial statements are issued under the name of the legal parent, Newcastle, but are a continuation of the financial statements of its legal subsidiary, TrichoScience. Therefore, the transactions of Newcastle prior to December 22, 2010 (discussed below) are not reflected in the Company's annual audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008.

Restructuring Plan:

On November 21, 2008, Newcastle effected a share consolidation of its issued and outstanding common shares on the basis of one share for every thirty shares held.

On April 14, 2009, Newcastle received $100,000 and 40,000 common shares of Premier Gold Mines Limited ("**Premier**") pursuant to an option and purchase agreement on its Lennie property. Newcastle sold the 40,000 common shares for proceeds of $100,823.

On April 1, 2010, Newcastle received 20,000 common shares of Premier as consideration for termination of the option and purchase agreement on its Lennie property. On August 9, 2010, 2010, Newcastle sold the 20,000 common shares for proceeds of $93,465.

On July 19, 2010, Newcastle entered into a debt cancellation agreement with a creditor to effect the cancellation of a US$62,834 loan payable. Newcastle recorded a gain of $66,485 on cancellation of the loan payable.

On August 23, 2010, Newcastle issued 9,000,000 common shares at US$0.05 per share for proceeds of $465,047 (US$450,000).

On December 13, 2010, in contemplation of a share exchange agreement with TrichoScience, Newcastle sold the Lennie property to an unrelated company for proceeds of $150,000.

On December 22, 2010, Newcastle issued 1,240,000 common shares at US$0.50 per share for proceeds of $624,655 (US$620,000).

Subsequent to December 22, 2010, Newcastle (through its subsidiary, TrichoScience) was engaged in the development of hair cell replication technology.

Reverse Takeover Transaction

TrichoScience is in the development stage, having not yet realized any revenues from its planned operations. TrichoScience is engaged in the development of a non-surgical hair cell replication technology to cure pattern baldness and general hair loss in both men and women.

On December 22, 2010, Newcastle closed a share exchange agreement with TrichoScience and with certain accepting shareholders of TrichoScience, whereby Newcastle acquired 4,860,000 common shares of TrichoScience, representing 50.7% of the issued and outstanding common shares of TrichoScience. Pursuant to the share exchange agreement, the exchanging shareholders received 2.2953 common shares, 1.14765 Class B preferred shares and 1.14765 Class C convertible preferred shares of Newcastle for each common share of TrichoScience tendered. Newcastle acquired the 50.7% of TrichoScience in exchange for 11,155,165 common shares, 5,577,580 Class B preferred shares and 5,577,580 Class C convertible preferred shares of Newcastle (the "**Acquisition**"). In addition, Newcastle acquired 1,000,000 common shares of TrichoScience for $1,000,000, thereby increasing Newcastle's ownership in TrichoScience to 55.3%.

As a result of the Acquisition, the shareholders of TrichoScience who tendered their shares in exchange for shares of Newcastle at the closing of the acquisition (the "**Accepting Shareholders**") obtained voting control of Newcastle. For accounting purposes, TrichoScience was treated as the acquirer and the Company's consolidated financial statements are presented as a continuation of TrichoScience. The value attributed to the common shares exchanged reflects the carrying value (which approximates fair value) of the net assets of Newcastle prior to the share exchange. No amount was allocated to the Class B preferred shares or the Class C preferred shares as these shares were assessed to have nominal value at the time of closing.

Newcastle's assets, liabilities and results of operations have been included from December 22, 2010, the date of the Acquisition.

The carrying value of the net assets acquired of $1,073,226 was credited to the share capital of the combined entity. In addition, deferred acquisition costs of $76,900 incurred in Newcastle, and deferred acquisition costs of $53,429 incurred in TrichoScience, were debited to the share capital of the combined entity in accordance with reverse takeover accounting.

At closing of the Acquisition, certain shareholders of TrichoScience did not exchange their shares for shares of Newcastle (the "**Non-Accepting Shareholders**") and, as such, were treated as a non-controlling interest in the consolidated financial statements as at December 31, 2010. In a reverse acquisition, the non-controlling interest reflects the non-controlling shareholders' proportionate interest in the pre-combination carrying amounts of the legal acquiree's net assets. After the $1,000,000 investment by Newcastle, the non-controlling interest was 44.7% and the Company recorded a non-controlling interest of $327,640, representing the non-controlling

interest of net book value of the net assets of TrichoScience.

Under the terms of the TrichoScience agreement, the Non-Accepting Shareholders were entitled to tender their shares at any time until June 22, 2012 in exchange for Newcastle shares under the same terms as those provided to the Accepting Shareholders. On March 21, 2011, Newcastle acquired an additional 1,610,200 common shares of TrichoScience pursuant to Non-Accepting Shareholders tendering their shares in exchange for 3,695,895 common shares, 1,847,948 Class B preferred shares and 1,847,948 Class C convertible preferred shares of Newcastle. Also on that date, Newcastle acquired 2,050,000 common shares of TrichoScience for $2,050,000. On April 29, 2011, Newcastle acquired the remaining 3,114,600 TrichoScience shares in exchange for the issuance of 7,148,949 common shares, 3,574,476 Class B preferred shares and 3,574,476 Class C convertible preferred shares. However, because the rights and restrictions of the Class B preferred shares provided that all such shares would be extinguished upon Newcastle: (i) acquiring at least 90% of the TrichoScience shares; and (ii) investing at least $3,000,000 in TrichoScience, all of the outstanding Class B preferred shares have been extinguished as of the date of this MD&A. As with the December 22, 2010 share exchange, no amounts were assigned to the Class B preferred shares or the Class C convertible preferred shares.

As a result of the foregoing transactions, TrichoScience is now a wholly-owned subsidiary of the Company.

Each Class C convertible preferred share is voting and convertible into ½ of one common share of Newcastle upon approval by the United States Food and Drug Administration of the commercial sale of TrichoScience's hair cell replication technology in the United States. The Class C convertible preferred shares cannot be sold, transferred or otherwise disposed of without the consent of the Company's directors, except to original shareholders of TrichoScience.

Upon exchange of their TrichoScience shares for shares of Newcastle, the TrichoScience shareholders deposited their common shares of Newcastle with a trustee pursuant to the terms of a pooling agreement between Newcastle and the trustee. The common shares are subject to a timed release schedule under which 15% of the shares will be released on the first day of each of the fiscal quarters occurring after the first anniversary of the respective share exchanges.

Concurrent with the reverse acquisition, Newcastle also acquired all of the issued and outstanding common shares of 583885 B.C. Ltd. ("**583885**") in exchange for the issuance of 4,400,000 common shares of Newcastle. 583885 did not have any assets or liabilities at the date of acquisition and was a private company controlled by Newcastle's incoming Chief Executive Officer ("**CEO**").

3,400,000 shares of Newcastle controlled by the Company's CEO were deposited with an escrow agent pursuant to the terms of an escrow agreement between Newcastle and the escrow agent. Under the terms of the escrow agreement, release of these shares is based upon the occurrence of certain performance conditions set out in the

escrow agreement. Stock based compensation of $508,800 (representing the fair value of the shares issued) was recognized for these shares.

At the closing of the 583885 share exchange, prior to December 31, 2010, two performance conditions were met and as a result 850,000 shares were released from escrow. $432,395 (representing the fair value of the shares released from escrow on the date of release) was recorded as stock-based compensation at December 31, 2010. Subsequent to December 31, 2010, an additional 350,000 shares were released from escrow pursuant to the achievement of certain performance conditions. Compensation expense relating to the remaining 2,200,000 common shares will be recognized in the periods during which the occurrence of the respective performance conditions becomes probable, and amortized over the period until the performance condition is met.

The other 1,000,000 common shares issued in connection with the 583885 share exchange were not subject to escrow provisions and thus were fully vested and non forfeitable at the date of issuance. 750,000 of these shares were issued to three directors of the Company. Stock based compensation of $508,800 (representing the fair value of the shares issued) was recognized for these shares at December 31, 2010.

Finally, also on December 22, 2010, Newcastle issued 2,000,000 Class C voting convertible preferred shares to two investors for US$0.0001 per share.

OVERALL PERFORMANCE

Business Overview

As a result of the closing of the acquisition of the shares of TrichoScience, the Company is now in the business of developing and patenting a new hair cell replication technology that is intended to treat pattern baldness and hair loss in men and women.

The Company's cellular replication and implantation technology is designed to grow new hair follicles in patients suffering from androgenetic alopecia as well as other causes of balding or thinning scalp hair. The procedure is also designed to rejuvenate damaged, miniaturized hair follicles in balding scalp skin.

The Company's technology has been developed over nine years of research, experimentation and trials. The mechanics of its technology involve the extraction of as few as 10 to 20 hair follicles from a patient. The cells are then replicated in a laboratory through our cellular replication process and injected back into the patient's bald scalp. The implanted cells induce the formation and growth of new hair follicles and also help rejuvenate damaged hair follicles. The Company's anticipated long term result is the restoration of a full head of hair that has been seeded by the patient's own natural hair cells.

The product development path of our technology effectively began in 2000 with completion of initial animal trials in Germany. These experiments on mice demonstrated that hair follicle “dermal sheath cup” cells could induce successful hair growth. These results have led the Company to believe in the effectiveness of the procedure and its potential to become a solution to hair loss for the hair restoration market. From 2004 to 2007, the developers of its technology planned for human clinical trials and culture laboratories, and sourced initial funding. In 2007, the developers of the technology assigned the technology, including the intellectual property, to TrichoScience.

The Company believes its technology will offer several advantages over current hair loss solutions. Traditional hair transplantation surgery requires the surgical removal of a prominent band of hair-bearing scalp from the back of the head, dissection of individual hair follicles and then implantation of these follicles into the balding region of the scalp. Often, a number of similar surgical procedures are required to achieve the desired result. In effect, surgical hair transplantation removes and redistributes a patient’s own hair follicles to cover sections of bald scalp, leaving bare patches of scalp where the hair was removed.

In contrast, the Company’s technology is designed to replicate a patient’s hair cells and rejuvenate miniaturized hair follicles, as well as inducing entirely new follicles to grow from the balding scalp. The Company believes there will be no pain involved, nor long recovery period. Its technology is designed to provide the ability to grow a patient’s own hair back rather than to redistribute hair from the back of the scalp to the front.

In addition, hair transplantation surgery requires a team of six or more people, including up to four technicians trained in micro-dissection. The surgical procedure is designed to take approximately eight hours to complete. The Company’s technology is designed to be fully performed by a single clinician who requires minimal training. The Company expects the time involved to be less than two hours.

Regulatory Environment

The Company is developing and advancing a clinical and regulatory strategy for worldwide regulatory approvals of its technology. Specifically, the following projects have been identified for immediate product and company development:

- completion of Phase 1a human clinical trials in Europe that commenced in December, 2010;
- scheduling of Phase 2 human clinical trials in Canada, Europe and the US; and
- ongoing studies and development of our technology.

Regulations and challenges vary from country to country. The Company has obtained scientific advice from the European Union regulatory authorities and is generating additional safety data in order to satisfy the requests of such authorities. The planned human phase trials meet good clinical practice requirements. The Company

expects data from successful European Union-approved trials to facilitate similar trial approvals for Canada and other jurisdictions.

The Company believes the regulatory process will be aided by competitors who have safely conducted similar clinical trials using a different type of hair cell. It believes this information mitigates the risk element for its trials.

The Company has received approval to launch its first-in-man clinical study at the Scientific Research Institute for Skin and Venereal Diseases in Tbilisi, Georgia. This double-blind study is designed to test the safety and efficacy of the Company's technology in 20 patients with androgenetic alopecia through the assessment of three endpoints:

> Primary endpoint - the local safety profile of the Company's technology at the 6 month time point as defined by the incidence, relationship, severity and seriousness of adverse events at the injection sites and local tolerance (as judged by the investigator and patient);
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> Secondary endpoint (Safety) - the local safety profile (as defined above) of the Company's technology at the 12 and 24 month time points; systemic adverse events over the 24-month study; analysis of macroscopic images of injection sites; and analysis of histopathological biopsies taken at the 6, 12, and 24 month time points; and
>
> Secondary endpoint (Efficacy) - difference in hair thickness and hair density between 6 months (Visit 7) and baseline will be calculated using the TrichoScan® procedure.

The Company received written approval to conduct the study on November 11, 2010 from the Georgian National Bioethics Committee. Biopsies from the 20 patients participating in the TS001-2009 study will be collected and sent to Innovacell Biotechnologie AG in Innsbruck, Austria for processing. The study product began being ready for injection into study participants in late February 2011. When injected, participants will not only receive an injection of their replicated cells on one part of the scalp, but will also receive an injection of placebo (cellular transport medium without replicated cells) on the other side of the scalp. This will allow for better assessment of the safety and efficacy of the Company's technology.

The Company anticipates collecting data from the 6 month time point in late 2011. This data will allow for analysis of its primary endpoint of the study in the form of an interim analysis. Patients will continue participating in the study through early 2013 when the 24-month visits will be conducted.

The first patient was enrolled into the trial on December 7, 2010. The remaining patients will be enrolled in the first half of 2011.

Regulatory approval for the Company's technology is subject to different regulations for different jurisdictions. Initiating human trials requires different depths and volume of pre-clinical research prior to approval for first-in-man trials. However, common to virtually all jurisdictions, is to demonstrate in humans the safety of the technology. The Company's first trial has been developed to prove safety first and efficacy second.

Commercial approval will require that safety has been demonstrated. However, commercial sales will only require that the Company demonstrates efficacy to the public. The Company will not be required to get approval from private or government insurance plans with respect to pharmacoeconomics, as the product purchase decision is not medical, but rather personal.

Intellectual Property

The success of the Company will be highly dependent on the protection of its intellectual property. In 2008, the Company was granted a patent for its technology in each of Australia and the European Union. It also has applied for patents, which are currently pending, in other global jurisdictions.

Management Changes

On December 22, 2010, John Toljanich, Brent Petterson and Roy Brown resigned from their positions as directors of Newcastle. John Toljanich resigned as President, Corporate Secretary and Chief Executive Officer. Brent Petterson remained the Company's Chief Financial Officer and was appointed Corporate Secretary. The following individuals were then appointed as directors and officers:

David Hall – President and Director

Mr. Hall has almost two decades of experience in the life sciences industry. From 1994 through 2008, he served in roles as Chief Financial Officer, Chief Compliance Officer and Senior Vice President of Government & Community Relations for Angiotech Pharmaceuticals Inc. He also acted as the Corporate Secretary and Treasurer of Angiotech. Mr. Hall is highly committed to governmental policy issues related to the biotech industry. He is a past Chairman of Life Sciences BC and currently serves as a director of the International Finance Centre. He has served as the Chairman of the Biotech Industry Advisory Committee to the BC Competition Council and as a member of the BC Task Force on PharmaCare. Mr. Hall is also a member of the University of British Columbia's Tech Equity Investment Committee and is a director and Chairman of the Audit Committee of GLG Lifetech Corporation.

Matthew Wayrynen – Director

Mr. Wayrynen has extensive experience in venture capital management, startup financing and mergers and acquisitions. Most recently he served as an executive director of Quinto Mining and was active in the sale of that company to Consolidated Thompson Iron Mines Ltd. in 2008.

Peter Jensen – Chairman of the Board and Director

Mr. Peter K. Jensen holds a Bachelor of Science and two Law degrees from McGill University. Prior to his law degrees he was engaged in diabetes research and medical clinic management. In 1981, he commenced the practice of law in the corporate and securities fields in British Columbia. Mr. Jensen has a wide range of legal counselling experience internationally and has a depth of experience in trans-border transactions. Mr. Jensen has been and is a director of a number of private and publicly traded companies and has assisted in the raising of finance for these companies in Canada, the United States, Europe and Asia.

Rolf Hoffmann, MD – Chief Medical Officer and Director

Dr. Hoffmann is a top European researcher who spent decades researching in the fields of pattern hair loss, alopecia areata, endocrinology of the hair follicle and hair follicle morphogenesis. Together with Dr. McElwee, he is the applicant of a landmark patent on the use of hair follicle cup cells and their use in hair diseases. He is working clinically in his private practice, as a teaching professor in the Department of Dermatology for Marburg University as well as histopathogically on hair diseases, where he has published chapters in text books. Dr. Hoffmann has participated in dozens of clinical hair studies and consulted for a variety of large companies on hair matters. He is the inventor of TrichScan, the world's first GCP – approved technique to measure hair growth. Since then he has run a successful privately owned company to market the device for dermatologists and to offer it as a service for clinical trials.

John Challis – Director

On March 16, 2011, Dr. John Challis was appointed to the Company's board of directors. Dr. Challis is the President and CEO of the Michael Smith Foundation for Health Research, British Columbia's health research funding organization.

Dr. Challis received his PhD from the University of Cambridge and began his career as a research scientist at the University of Oxford. In 1976, he came to Canada as a faculty member at McGill University and joined the faculty at the University of Western Ontario two years later. Dr. Challis served as founding Scientific Director of the Lawson Research Institute at St. Joseph's Health Centre and as the Centre's vice-president (research). In 1995, he joined the University of Toronto as Professor and Chair of the Department of Physiology and in 2001 he was appointed the founding Scientific Director of the Canadian Institute of Health Research, Institute of Human Development, Child and Youth Health. Dr. Challis served as Vice-President, Research and Associate Provost at the University of Toronto between 2003 and 2007.

In 2007, Dr. Challis was awarded The McLaughlin Medal from the Royal Society of Canada for important research of sustained excellence in medical science. In March 2009, Dr. Challis received the President's Distinguished Scientist Award from the Society for Gynaecologic Investigation (SGI). Currently, he holds the

rank of University Professor Emeritus, University of Toronto, Departments of Physiology, Medicine and Obstetrics and Gynaecology.

Dr. Challis is an internationally-recognized researcher in the fields of physiology, obstetrics and gynaecology. He is a Fellow of the Royal Society of Canada, Fellow of the Royal College of Obstetricians and Gynecologists, and Fellow of the Canadian Academy of Health Sciences. He has published more than 500 scientific papers and articles, trained more than 70 graduate students and postdoctoral fellows and has served as President of several professional associations in his field of research.

Annual General Meeting

On January 5, 2011, the Company held its Annual General Meeting and among other things approved the following corporate resolutions:

- to continue the Company out of the Province of Ontario and into the Province of British Columbia; and
- to change the name of the Company to RepliCel Life Sciences Inc.

The Company has reserved the name "Replicel Life Sciences Inc." with the Province of British Columbia and is seeking trademark protection for the Replicel name. As of the date of this MD&A, neither the continuation to British Columbia nor the name change have occurred, however the Board of Directors of the Company has the discretion to implement such actions at any time.

Marketing Strategy

The Company plans to market its technology directly to those medical professionals currently engaged in hair transplants and similar hair restoration programs and to established hair loss and dermatology clinics.

It is currently reviewing financial and operational opportunities available through the exclusive licensing of its technology rights in selected international jurisdictions. Additionally, it is in discussions with a number of corporations in the hair restoration field regarding potential marketing and operating partnerships.

SELECTED ANNUAL INFORMATION

	Year ended Dec. 31, 2010 (audited)	**Year ended Dec. 31, 2009 (audited)**	**Year ended Dec. 31, 2008 (audited)**
Net sales or total revenues	$Nil	$Nil	$Nil
Net loss	$(2,404,097)	$(557,860)	$(23,194)
Basic and diluted loss per share	$(0.11)	$(0.03)	$(0.00)
Total assets	$1,308,742	$644,466	$Nil
Long-term liabilities	$Nil	$Nil	$Nil
Dividends declared	$Nil	$Nil	$Nil

RESULTS OF OPERATIONS

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

The Company had no revenue from operations during the years ended December 31, 2010 or 2009. General and administrative expenses totalled $1,796,495 for the year ended December 31, 2010 compared to $173,999 for the year ended December 31, 2009. The increase in general and administrative expenses was primarily the result of increased legal fees (2010: $91,190, 2009: $51,164), accounting and audit fees (2010: $53,792, 2009: $20,000), consulting fees (2010: $198,196, 2009: $78,553), computer and IT expenses (2010: $21,638, 2009: $Nil), insurance (2010: $30,472, 2009: $Nil), office and telephone (2010: $29,557, 2009: $7,088), rent (2010: $26,916, 2009: $Nil), salaries (2010: $109,830, 2009: $Nil), stock-based compensation (2010: $1,176,900, 2009: $Nil) and travel and promotion (2010: $51,065, 2009: $14,743). The increases in accounting and audit fees, computer and IT expenses, legal fees, insurance, office and telephone, rent, salaries and travel and promotion expenses were due to increased operational activities in 2010 and due to the completion of the share exchanges with TrichoScience and 583885. The increase in consulting fees related to fees paid to personnel experienced in research and development and corporate administration.

The increase in stock-based compensation expense of $1,176,900 was primarily due to the share exchange with 583885. A stock based compensation charge of $432,395 was recognized on the release of 850,000 (of 3,400,000) common shares from escrow upon the achievement of two milestones contained in the escrow agreement. Stock based compensation of $508,800 (representing the fair value of the shares issued) was recognized for the other 1,000,000 common shares issued in the 583885 share exchange.

The Company recognized a stock based compensation charge of $118,110 for the year ended December 31, 2010 for stock options granted under certain founders stock option agreements. The Company recognized a fair value stock based compensation charge of $117,595 for the year ended December 31, 2010 for stock options granted under the TrichoScience Stock Option Plan.

During the year ended December 31, 2010, the Company incurred costs of $367,763 relating to its clinical trials compared to $275,925 in the year ended December 31, 2009. It incurred research and development costs of $132,100 and intellectual property costs of $50,386 in 2010 compared to research and development costs of $49,000 and intellectual property costs of $28,186 in 2009. Sales and marketing costs were $57,353 in 2010 compared to $30,750 in 2009. These increases were all the result of increased operational activities in 2010.

The Company incurred a net loss for the year ended December 31, 2010 of $2,404,097 or $0.11 per share on a basic and diluted basis compared to a net loss of $557,860 or $0.03 per share on a basic and diluted basis for the year ended December 31, 2009. The increased loss was the result of increased operational activities in 2010.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The Company had no revenue from operations during the years ended December 31, 2009 or 2008. General and administrative expenses totalled $173,999 for the year ended December 31, 2009 compared to $17,380 for the year ended December 31, 2008. The increase in general and administrative expenses was primarily the result of increased legal fees (2009: $51,164, 2008: $12,258), accounting and audit fees (2009: $20,000, 2008: $Nil), consulting fees (2009: $78,553, 2008: $Nil) and travel and promotion (2009: $14,743, 2008: $Nil). The increase in legal and accounting fees and travel expenses as between 2009 and 2008 was the result of increased operational activities in 2009. The increase in consulting fees related to fees paid to personnel experienced in research and development and corporate administration.

During the year ended December 31, 2009, the Company incurred costs of $275,925 relating to its clinical trials compared to $Nil in the year ended December 31, 2008. It incurred research and development costs of $49,000 and intellectual property costs of $28,186 in 2009 compared to $Nil in 2008. Sales and marketing costs were $30,750 in 2009 compared to $5,814 in 2008. These increases were all the result of increased operational activities in 2009.

The Company incurred a net loss for the year ended December 31, 2009 of $557,860 or $0.03 per share on a basic and diluted basis compared to a net loss of $23,194 or $Nil per share on a basic and diluted basis for the year ended December 31, 2008. The increased loss was attributable to the commencement of operations in 2009.

Operating Activities

During the year ended December 31, 2010, the Company used net cash in operating activities of $840,872 compared to $506,703 for the year ended December 31, 2009. The increase in cash used in operating activities was the result of increased operational activities in 2010, as discussed above.

Investing Activities

During the year ended December 31, 2010, the net cash provided by investing activities was $1,089,215 compared to net cash used of $21,690 for the year ended December 31, 2009. The increase is a result of the cash acquired on the acquisition of Newcastle on the closing of the Share Exchange Agreement.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters. The figures for the quarter ended December 31, 2010 are calculated from the Company's annual audited consolidated financial statements. The figures for the quarter ended December 31, 2009 are calculated from

TrichoScience's annual audited financial statements. All other amounts are from TrichoScience's unaudited quarterly financial statements prepared by management.

	Mar. 31 2009 $	Jun. 30 2009 $	Sept. 30 2009 $	Dec. 31 2009 $	Mar. 31 2010 $	Jun. 30 2010 $	Sept. 30 2010 $	Dec. 31 2010 $
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(6,015)	(7,988)	(77,947)	(465,910)	(351,777)	(323,826)	(186,529)	(1,541,965)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.02)	(0.02)	(0.02)	(0.01)	(0.07)

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $652,699 as at December 31, 2010 compared to working capital of $537,804 as at December 31, 2009.

	Year Ended December 31, 2010	Year Ended December 31, 2009
Net cash used in Operating Activities	$ (840,872)	$ (506,703)
Net cash provided by (used in) Investing Activities	1,089,215	(21,690)
Net cash provided by Financing Activities	359,275	1,132,300
Increase in Cash during the Year	$ 607,618	$ 603,907
Cash, Beginning of Year	603,907	-
Cash, End of Year	$ 1,211,525	$ 603,907

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. At December 31, 2010, the Company has not yet earned revenue from its business, has accumulated losses of $2,084,184 since incorporation and expects to incur further losses in the development of its business, which casts substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event that it cannot continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company has financed its operations to date through the issuance of equity. The continued volatility in the financial equity markets and may make it difficult to raise funds by private placements of shares. There is no assurance that the Company will be successful with its financing ventures.

Financing Activities

During the year ended December 31, 2010, TrichoScience issued 430,000 common shares at $1.00 per share of which $30,000 had been received during the year ended December 31, 2009.

During the year ended December 31, 2009, TrichoScience issued 1,154,800 common shares at $1.00 per share of which $12,500 was received subsequent to December 31, 2009.

At December 31, 2010, the Company had working capital of $652,699. Additional working capital will be required for general and administrative expenses and to further the Company's business plans.

On March 11, 2011, the Company completed a private placement of 2,550,000 common shares at US$1.00 per share for proceeds of US$2,550,000. We issued 101,200 common shares as finder's fees in connection with the private placement.

The Company anticipates that it will require a minimum of approximately $1,200,000 to proceed with its plan of operations for the twelve month period ended December 31, 2011. It has no current material commitments for capital expenditures.

The Company does not currently have sufficient capital resources to fund its plan of operations for the next twelve months. It plans to raise additional capital through the sale of debt or equity securities or through other forms of financing in order to raise the funds necessary to pursue its plan of operations. It currently does not have any arrangements in place for the completion of any financings and there is no assurance that it will be successful in completing any financings. There can be no assurance that additional financing will be available when needed or, if available, on commercially reasonable terms. If it is not able to obtain additional financing on a timely basis, it may not be able to pursue its plan of operations or meet its obligations as they come due, and may be forced to scale down, or perhaps even cease, business operations.

Cash on hand is currently the Company's only source of liquidity. It does not have any lending arrangements in place with banking or financial institutions and it does not know whether it will be able to secure such funding arrangements in the near future.

Stock Option Plans:

On January 11, 2010, TrichoScience approved a stock option plan pursuant to which TrichoScience could grant stock options to directors, officers, employees and consultants. The maximum number of shares reserved for issue under the plan could not exceed 20% of the outstanding common shares of TrichoScience as at the date of the grant. The stock options were exercisable for a maximum of 7 years from the grant date, with various vesting terms.

On July 13, 2010, under the TrichoScience Stock Option Plan, TrichoScience granted a total of 1,485,000 options to the directors and officers and consultants of TrichoScience. The options were exercisable at $1.00 per share and had expiry dates of July 13, 2017. On December 22, 2010, in connection with the closing of the TrichoScience share exchange agreement, all 1,485,000 stock options granted under the TrichoScience Stock Option Plan were cancelled and reissued by the Company under its 2010 Stock Option Plan. Each reissued option is exercisable into one common share of the Company at US$0.50 per share until July 13, 2017. The TrichoScience Stock Option Plan was cancelled subsequent to December 31, 2010.

Under various founders' stock option agreements, certain founders of TrichoScience granted stock options to acquire 1,211,000 of their TrichoScience shares to employees and consultants of TrichoScience during the year ended December 31, 2010. Pursuant to the TrichoScience Agreement, the terms of the founders' stock options were amended such that they became exercisable into shares of our company rather than shares of TrichoScience. All other terms remained the same. These options are between the founders and the optionees and are not outstanding stock options of the Company.

On December 22, 2010, the Company's Board of Directors approved the adoption of the 2010 Stock Option Plan, which was ratified and approved by its shareholders on January 5, 2011 at the Annual General Meeting. The maximum number of common shares which may be reserved and set aside for issuance under the stock option plan is 10% of the issued and outstanding common shares of the Company's stock on the date of issue.

On March 11, 2011, the Company granted 1,350,000 stock options to directors, officers, employees and consultants, with each option exercisable into one common share at US$1.00 per share until March 11, 2018.

On March 11, 2011, the Company also issued an aggregate of 1,350,000 stock options to directors, officers, employees and consultants of the Company, with each option exercisable into one common share for US$1.00 per share until March 11, 2018.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

RELATED PARTY TRANSACTIONS

As of December 31, 2010, included in the accounts payable and accrued liabilities were $76,936 (2009: $29,000) due to directors and officers of the Company and/or companies they control or of which they were significant shareholders for accrued consulting fees, research and development consulting fees, rent, legal fees and acquisition transaction costs. The amounts owing are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2010, the Company had the following related party transactions:

- Research and development consulting fees totalling $132,100 (2009 - $44,000, 2008 - $nil) were paid to a director and companies owned by directors and officers of the Company;

- Administrative consulting fees totalling $146,475 (2009 - $30,000, 2008 - $Nil) were paid to directors and officers and companies owned directors and officers of the Company;

- Rent expense of $15,000 (2009 - $Nil, 2008 - $Nil) was paid to a company owned by a director of the Company;

- Clinical trial costs totalling $Nil (2009 - $220,626, 2008 - $nil) were paid to a company owned by a director of the Company; and

- Legal fees and acquisition costs of $26,594 (2009 - $Nil, 2008 - $Nil) were paid to a law firm of which a director of the Company was a partner and a law firm related to a director of the Company.

These transactions were in the normal course of operations having been measured at the exchange amount, being the amount established and agreed to by the parties.

FOURTH QUARTER

See discussion under the heading, “Reverse Takeover Transaction”.

PROPOSED TRANSACTIONS

None.

CRITICAL ACCOUNTING ESTIMATES

Significant areas requiring the use of management estimates include amortization of equipment and stock-based compensation.

The Company has adopted amortization policies, which, in the opinion of management, are reflective of the estimated useful lives of its equipment. The Company has not recorded any amounts in respect of impairment of its equipment.

The Company uses the Black-Scholes option valuation model to calculate the fair value of stock options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

CHANGES IN ACCOUNTING POLICIES

There were no changes to the Company's significant accounting policies during the year ended December 31, 2010. The Company's significant accounting policies can be found in Note 2 to its annual audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008.

Recent Accounting Pronouncements

Business Combination, Non-controlling Interest, and Consolidation

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("**Section 1582**"), 1601, Consolidated Financial Statements, ("**Section 1601**") and 1602, Non-controlling Interests, ("**Section 1602**") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("**IFRS**"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Early adoption of these Sections is permitted but all three sections must be applied concurrently. The Company is reviewing the impact of the adoption of these new standards on its consolidated financial statements.

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian GAAP for publicly accountable enterprises will be replaced by IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Therefore, the Company will be required to adopt IFRS for its fiscal year commencing January 1, 2011 and the transition will require the restatement for comparative purposes into IFRS of the amounts and disclosures reported by the Company for its prior fiscal year ended December 31, 2010. Effectively this means that IFRS will need to be implemented January 1, 2010 with an opening balance sheet.

The Company has an IFRS implementation plan to prepare for this transition and has analyzed the key areas where changes to current accounting policies will be required. While an analysis will be required for all current accounting policies, the initial key areas of assessment currently applicable to the Company include:

- Business Combinations;
- Research and development costs;
- Share based payments; and
- First-time adoption of IFRS (IFRS 1).

Other elements of the Company's IFRS implementation plan will also be addressed, including the implication of changes to accounting policies and processes, financial statement note disclosures, information technology, internal controls, contractual arrangements and employee training.

The following table summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Complete
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	In process
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	In process
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives.	In process
Resolution of the accounting policy change implications on information technology, internal controls and contractual agreements.	In process
Management and employee education and training.	Throughout the transition process
Quantification of the Financial Statements impact of changes in accounting policies	Ongoing

Based on IFRS accounting policy analysis done to date, the Company does not anticipate significant changes to its consolidated financial statements under IFRS (with the exception of financial statement presentation and additional note disclosure) when compared to the financial statements currently prepared under Canadian GAAP.

The Company does not anticipate any adjustments to its January 1, 2010 opening balance sheet as the Company does not intend to fair value its equipment and will use an IFRS 1 exemption to elect to use historical cost as fair value. There were no stock options granted prior to January 1, 2010 and the Company does not anticipate any adjustments with respect to the stock-based compensation expense calculated for the year ended December 31, 2010.

The Company is continuing its review of the impact of the transition from Canadian GAAP to IFRS and has currently identified three adjustments that will need to be reflected in its March 31, 2011 consolidated financial statements on transition from Canadian GAAP to IFRS:

- The Company will make an adjustment to expense the TrichoScience acquisition transaction costs of $130,329 which were debited to share capital under Canadian GAAP.

- The Company will make an adjustment for the fair value of the listing cost associated with TrichoScience becoming a public company. This listing cost will be expensed and will represent the additional value of

Newcastle at December 22, 2010 (over and above the net assets acquired) associated with its public listing on the OTCQB. The amount of the listing expense has not been determined as of the date of this MD&A.

- The classification of non-controlling interest will change to be included as a component of equity. Additionally, (i) net income will include net income or loss attributable to non-controlling interest; (ii) the components of net income or loss attributable to the shareholders of the Company and the net income or loss attributable to non-controlling interest will be displayed in the statements of income and (iii) losses will be allocated to the non-controlling interest even if the losses exceed the equity attributable to non-controlling interest.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and advances payable. Upon initial recognition, all financial instruments are recorded on the balance sheet at fair value. Subsequent measurement is then based on the financial instruments being classified into one of five categories: held for trading, held to maturity, loans and receivables, available for sale and other liabilities. The Company has designated its cash as held to maturity, which carrying value approximates fair value. Gains and losses related to periodic revaluation are recorded to net income or loss. Accounts payable and accrued liabilities and advances payable are classified as other liabilities and are measured at amortized cost determined using the effective interest method. The Company does not hold any available for sale financial instruments which would give rise to comprehensive income or loss.

In 2009, the CICA amended Section 3862, "Amendment to Financial Instruments – Disclosures" to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

- Level 3: Inputs that are not based on observable market data.

The Company does not hold any financial instruments subject to Level 1, 2 or 3 fair value measurements. During the years ended December 31, 2010 and 2009, there were no significant transfers between Level 1 and 2.

As at December 31, 2010, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and advances payable.

The fair values of cash, accounts payable and accrued liabilities and advances payable approximate their carrying value due to their short-term maturity.

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. The Company has exposure to the European Euro that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. Given that at December 31, 2010 and 2009, the Company had minimal financial assets and liabilities denominated in foreign currencies, it considers this risk to be insignificant. The Company does not hedge its foreign exchange risk.

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure, more specifically, the issuance of new common shares, to ensure there is sufficient capital in order to meet short term business requirements, after taking into account the Company's holdings of cash and potential equity financing opportunities. The Company believes that these sources will be sufficient to cover the known short and long-term requirements at this time. Without further equity financing, it is unlikely that the Company will be able to meet the obligations associated with its financial liabilities.

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. As the Company's cash is currently held in an interest bearing bank account, management considers the interest rate risk to be limited.

OUTSTANDING SHARE DATA

Issued and Outstanding – Common Shares

	Number of Shares
Balance, December 31, 2010	27,053,962
Shares issued for cash:	
- Private placements at US$1.00	2,550,000
Issued for finder's fees	101,200
Issued on tender of TrichoScience shares	10,844,844
Balance, April 30, 2011	40,550,004

Issued and Outstanding – Class C Preference Shares

	Number of Shares
Balance, December 31, 2010	7,577,580
Issued on tender of TrichoScience shares	5,422,424
Balance, April 30, 2011	13,000,004

Stock Options Outstanding

	Number	Weighted Average Exercise Price
Balance, December 31, 2010	1,485,000	US$0.50
Granted	1,350,000	US$1.00
Balance, April 30, 2011	2,835,000	US$0.74

At April 30, 2011, no outstanding stock options are exercisable.

RISKS AND UNCERTAINTIES

In addition to the other risks and uncertainties set out earlier in this MD&A, the Company is also exposed to the following risks and uncertainties:

Risks Relating to the Company's Business

The Company currently does not generate revenue from its planned operations, and as a result, it faces a high risk of business failure.

The Company has not generated any revenues from its planned operations to date. As of December 31, 2010, it had accumulated $2,084,184 in losses since incorporation. Its business is focused on the development of a new hair cell replication technology. In order to generate revenues, it will incur substantial expenses in the development of its business. It therefore expects to incur significant losses in the foreseeable future. The Company recognizes that if it is unable to generate significant revenues from its activities, its entire business may fail. There is no history upon which to base any assumption as to the likelihood that it will be successful in its plan of operation, and it can provide no assurance to investors that it will generate operating revenues or achieve profitable operations in the future.

The Company's business is at an early stage of development and difficulties obtaining regulatory approval, technical deficiencies and other challenges may hinder the development and marketing of its hair cell replication technology.

The Company's hair cell replication technology is at an early stage of development and it may not develop hair cell replication technology that can be commercialized. It is still in the early stages of identifying and conducting research on its technology. Its technology will require significant research and development and preclinical and clinical testing prior to regulatory approval, if required, being obtained in the United States or other countries. It may not be able to obtain regulatory approvals, if required, to complete necessary clinical trials for its hair cell replication technology, or to commercialize it. Its technology may prove to have undesirable and unintended side effects, or other characteristics adversely affecting its safety, efficacy or cost-effectiveness could prevent or limit its use. Its technology may fail to provide its intended benefit, or achieve benefits equal to or better than its competitor's products at the time of testing or production and, if so, its business may fail.

The Company's clinical trials may fail to produce successful results or could be suspended due to unacceptable safety risks, which could cause its business to fail.

Clinical trials are subject to extensive regulatory requirements, and are very expensive, time-consuming and difficult to design and implement, in part because they may be subject to rigorous regulatory requirements. The Company's products may fail to achieve necessary safety and efficacy endpoints during clinical trials. The Company believes that its clinical trials will take a substantial period of time to complete. Furthermore, failure can occur at any stage of the trials, and the Company could encounter problems that cause it to abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed by several factors, including: unforeseen safety issues; lack of effectiveness during clinical trials; slower than expected rates of patient recruitment; and inability to monitor patients adequately during or after treatment. In addition, the Company or regulatory officials may suspend the Company's clinical trials at any time if it appears that it is exposing participants to unacceptable health risks. If the Company's clinical trials fail to produce successful results, or are suspended due to unacceptable safety risks, its business may fail.

The Company's success depends on the acceptance of its hair cell replication technology by the medical community and consumers as a safe and effective solution.

The success of the Company's hair cell replication technology will depend on its acceptance by potential consumers and the medical community. Because its technology is new in the treatment of hair loss, the long term effects of using the Company's new hair cell replication technology are unknown. The results of short-term clinical trials do not necessarily predict long-term clinical benefit or reveal adverse effects. If results obtained from future commercial experience indicate that the Company's hair cell replication technology is not as safe or

effective as other hair restoration treatments, adoption of this technology by consumers and the medical community may suffer and the Company's business will be harmed.

If the Company is not able to effectively protect its existing intellectual property, its business may suffer a material negative impact and may fail.

The success of the Company will be dependent on its ability to protect and develop its technology. It currently has registered patents for its hair cell replication technology in Australia and the European Union. If it is unable to protect its intellectual property, its business may be materially adversely affected. Further, the Company cannot be sure that its activities do not and will not infringe on the intellectual property rights of others. If the Company is compelled to prosecute infringing parties, defend its intellectual property or defend itself from intellectual property claims made by others, it may face significant expense and liability, as well as the diversion of management's attention from its business, any of which could negatively impact its business or financial condition.

The successful acquisition and maintenance of patent rights is critical to the Company's business and any failure in this regard could hinder the development and marketing of its technology.

The Company currently has patent applications pending in the United States and several other countries around the world. Its pending patent applications may not result in the issuance of any patents. The applications may not be sufficient to meet the statutory requirements for patentability in all cases or may be the subject of interference proceedings by patent offices. These proceedings determine the priority of inventions and, thus, the right to a patent for technology. In the past, the Company's patent applications have experienced delays and its patent applications may be delayed in the future. If others file patent applications or obtain patents similar to those it has licensed, such patents may restrict the use of its discoveries. The risk of third parties obtaining patents and filing patent applications will continue to increase as the hair restoration market expands. The Company cannot predict the ultimate scope and validity of existing patents and patents that may be granted to third parties, nor can it predict the extent to which it may wish or be required to obtain licenses to use such patents, or the availability and cost of acquiring such licenses. To the extent that licenses are required, the owners of the patents could bring legal actions against the Company to claim damages or to stop the manufacturing and marketing of the affected technology. If the Company becomes involved in patent litigation, it could consume a substantial portion of its resources.

Competitors in the hair restoration and related fields may currently offer, or may develop, superior hair loss solutions which could limit the market for the Company's technology.

The market for hair restoration products and technology is competitive. The Company expects that some of its most significant competitors will be more established companies. These companies may have greater capital

resources or experience in research and development, manufacturing, testing, obtaining regulatory approvals or marketing capabilities. As a result, its competitors may develop more competitive or affordable products, or achieve earlier patent protection or product commercialization than we are able to achieve. The Company faces competition from companies offering traditional more established products and technologies.

The Company may be subject to changes and uncertainties in laws and government regulations.

The Company is subject to regulation by domestic and foreign governmental agencies with respect to many aspects of developing hair cell replication technology. In addition, relevant new legislation or regulation could occur. Any such new legislation or regulation, the application of laws and regulations from jurisdictions whose laws do not currently apply to the Company's business, or the application of existing laws and regulations to hair cell replication technology, could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

Risks Relating to the Company's Management

The Company is dependent on the services of certain key personnel and the loss of any of these key personnel may have a materially adverse effect on the Company.

While engaged in the business of developing a new hair cell replication technology, the Company's ability to continue to develop a competitive edge in the marketplace will depend, in large part, on its ability to attract and maintain qualified key management personnel. Competition for such personnel is intense, and it may not be able to attract and retain such personnel. The Company's growth has depended, and in the future will continue to depend, on the efforts of its key management consultants. Loss of any of these people would have a material adverse effect on the Company. Currently, the Company does not have key-man life insurance.

Conflicts of interest may arise as a result of the Company's directors and officers being directors or officers of other life sciences companies.

Certain of the Company's directors and officers are, or may become, directors or officers of other life sciences companies. While the Company is engaged in the business of developing a new hair cell replication technology, such associations may give rise to conflicts of interest from time to time. The Company's directors are required by law to act honestly and in good faith with a view to the Company's best interests and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Company's board of directors, any director in a conflict must disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the Company's directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

The Company's by-laws contain provisions indemnifying its officers and directors against all costs, charges and expenses incurred by them.

The Company's by-laws contain provisions limiting the liability of its officers and directors for all acts, receipts, neglects or defaults of themselves and all of its other officers or directors or for any loss, damage or expense incurred by the Company which may happen in the execution of the duties of such officers or directors. Such limitations on liability may reduce the likelihood of derivative litigation against the Company's officers and directors and may discourage or deter its shareholders from suing the Company's officers and directors based upon breaches of their duties to the Company, though such an action, if successful, might otherwise benefit the Company and its shareholders.

Other Information

Other information relating to the Company may be found on SEDAR at www.sedar.com