

IBC ADVANCED ALLOYS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

NINE MONTHS ENDED MARCH 31, 2010

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IBC Advanced Alloys Corp.
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The following is a management's discussion and analysis ("MD&A") of IBC Advanced Alloys Corp. and its subsidiaries (collectively "IBC"), prepared as of May 28, 2010. This MD&A should be read together with the unaudited financial statements for the nine months ended March 31, 2010 and related notes and the audited consolidated financial statements for the year ended June 30, 2009 and related notes, which are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). All financial amounts are stated in United States dollars unless otherwise indicated.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to IBC is available for view on SEDAR at www.sedar.com.

Our Business

We are engaged in the development and manufacturing of advanced alloys, in particular beryllium alloys and specialty copper alloys. We are also undertaking beryllium mineral exploration. Beryllium is one of the least dense of all rare metals with one of the highest melting points of all the light metals and retains its physical properties under extreme stress. It is used as a shield and moderator in nuclear reactors. It can be used in its pure form or combined with other metals to form unique alloys for essential applications for the nuclear, aerospace, medical, automotive, electronic and defense industries. Our head office is located in Vancouver, Canada.

There are three distinct aspects to our business:

- Manufacturing - We operate four plants in the United States ("US") that manufacture, heat-treat, machine or market copper-beryllium, beryllium-aluminum, copper-based master alloys and similar specialty alloy products. Our manufacturing divisions employ 80 people.
- Mineral exploration - We own beryllium mineral properties in Utah and Colorado in the US and also in Brazil. All of our mineral properties are either formerly operating mines or are adjacent to sites that are, or have been, mines.
- Research – We are working on research initiatives with the goal of increasing demand for beryllium-related products. Our principal research initiative is in conjunction with Purdue University ("Purdue") and Texas A&M University to develop an enhanced nuclear fuel. This fuel is intended to operate in today's reactors but with a longer fuel life and a higher safety margin. We do not have any employees directly engaged in research.

We were incorporated under the laws of British Columbia and on November 23, 2007, operating as Janina Resources Limited, we completed a business amalgamation with Horn Rare Metals Ltd. We changed our name from Janina Resources Limited to International Beryllium Corporation. In March 2009 we again changed our company name to "IBC Advanced Alloys Corp." to reflect our focus on producing advanced alloys as part of our strategy of becoming a vertically integrated specialty alloy producer.

Corporate Developments

- In our third fiscal quarter, our revenues increased 8% over the previous quarter to \$4,034,000. This represented a 30% improvement over revenues in the same quarter last year. In the quarter, we still experienced some production problems that adversely affected our gross margin; we are working to address these issues through improved production processes.
- In April 2010, we appointed Ray White as president of our Beralcast[®] division. Mr. White will manage and develop all aspects of our Beralcast[®] division's operations. He is one of the co-inventors of the Beralcast[®] technology and is named on US Patent 5,417,778. Mr. White has direct experience and understanding of its many aerospace, military and commercial applications and previously worked as the vice president of operations of the predecessor company manufacturing Beralcast[®]. Immediately prior to joining us, Mr. White was a division manager with the Integrated Optical Systems Division of L-3 Communications Corporation (NYSE:LLL), the sixth largest defence company in the US.
- In April 2010, we appointed Jim Malone as vice president of nuclear fuels. Mr. Malone is a former vice president of nuclear fuels for Exelon Generation ("Exelon"), a wholly-owned subsidiary of Exelon Corp., and has more than 40 years of experience in the nuclear power industry, focused on the technical, economic and planning aspects of nuclear fuels. At Exelon he was responsible for nuclear fuel cycle activities, including procurement, safeguards, economics, and fuel cycle cost. Exelon operates the largest nuclear reactor fleet in the US and the third largest fleet in the world. Mr. Malone was previously appointed to IBC's nuclear fuels advisory board in August 2009.
- In April 2010, we were approved and pre-qualified to submit quotes for the US Defense National Stockpile Center sales program for vacuum-cast beryllium.
- In March 2010, we signed long-term beryllium supply agreements for beryllium as well as beryllium copper master alloy with Ulba Metallurgical Plant ("Ulba"), a beryllium processing and manufacturing facility owned by Kazatomprom, the national atomic company of Kazakhstan. Under the terms of the agreements, Ulba and IBC have committed to (1) multiple-year supply commitments for beryllium metal and beryllium copper master alloys, (2) explore strategic partnerships, which may include direct or indirect investment that will support the growth of the beryllium business for the benefit of both parties, and (3) assess the feasibility of a Kazakhstan-based high volume beryllium oxide production facility to support our growing nuclear fuels initiative. We previously signed a letter of intent with Kazatomprom in November 2009.
- In March 2010, we acquired all of the outstanding and issued shares of Beralcast[®] Corporation, a privately held US company. The purchase consideration was \$2,250,000 in cash and 13,261,176 common shares of IBC. Beralcast[®] is a specialty alloy manufacturing business that owns proprietary and patented technology for a castable beryllium-aluminum alloy that is currently used in a wide variety of aerospace and advanced technology applications. We acquired US patents; trade name rights to Beralcast[®]; proprietary know-how; manufacturing equipment; plans for a new manufacturing plant; marketing and supply agreements; and US beryllium stockpile bidding requirements and bona fides. The proposed acquisition was arm's length transaction. See "Beralcast[®] Corporation Acquisition" below.

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- In March 2010, we closed a short-form prospectus offering, raising gross proceeds of C\$10,350,000 (\$10,161,000). See "Short-Form Prospectus Financing" below.
- In January 2010, we entered into an agreement to employ Douglas Veitch as our vice president of business development.

SHORT-FORM PROSPECTUS FINANCING

In March 2010, we closed our short-form prospectus offering, raising gross proceeds of C\$10,350,000 (\$10,161,000) in respect to the sale of 60,882,354 units of IBC at a price of C\$0.17 per unit. The prospectus offering was originally planned for C\$8,000,000 but was upsized twice and the agents exercised a 15% over-allotment option.

Each unit was priced at C\$0.17 and consists of one common share of IBC and one-half of one common share purchase warrant exercisable at C\$0.25. Each unit warrant entitles the holder to purchase one common share of IBC for a price of C\$0.25 per common shares until March 23, 2012 subject to acceleration of the exercise period in certain circumstances. If following the closing of the unit offering, our closing price is C\$0.50 or more per common share for 20 consecutive trading days on the TSX Venture Exchange (the "Exchange"), or an equivalent stock exchange (the "Accelerating Event"), the exercise period of the unit warrants may be reduced to expire on the date that is 30 days following the Accelerating Event.

We paid the agents a cash commission of C\$725,000 and issued broker warrants to acquire up to 4,261,764 common shares at a price of C\$0.17 per common share until March 23, 2012. Total cash offering costs, comprising commission, legal and filing fees, were \$1,057,000; total offering costs (including the fair value of brokers warrants) were \$1,525,000. Accordingly, we received net cash proceeds of \$9,104,000, to be used as follows:

Beralcast [®] Corporation acquisition including acquisition costs	\$2,350,000
Beralcast [®] Corporation plant relocation and equipment purchase	1,750,000
Business development	1,250,000
Mineral exploration	1,000,000
Unallocated working capital	2,754,000
Total	\$9,104,000

BERALCAST[®] CORPORATION ACQUISITION

In March 2010, we acquired all of the outstanding and issued shares of Beralcast[®] Corporation, a privately-held specialty alloy manufacturing business based in Nashua, New Hampshire that owns proprietary and patented technology for a castable beryllium aluminum alloy that is currently used in a wide variety of aerospace and advanced technology applications, from two individuals. The purchase consideration was \$2,250,000 in cash and 13,261,176 common shares of IBC with a fair value of \$2,519,000 (the deemed value of the shares for regulatory purposes previously disclosed in our news releases was calculated on a different basis). We issued the common shares pursuant to the policies of the Exchange, subject to a hold period of four months and one day from the date on which they are issued. No finder's fee was payable in connection with the acquisition. We previously signed a definitive agreement with Beralcast[®] Corporation in February 2010.

Pursuant to the definitive agreement, we retained key personnel and acquired the US patents; trade name rights to Beralcast[®]; proprietary know-how; manufacturing equipment; plans for a

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new manufacturing plant; marketing and supply agreements; and US beryllium stockpile bidding requirements and bona fides.

In the 1960s, a company, originally a metallurgical laboratory affiliated with the Massachusetts Institute of Technology, in cooperation with Lockheed Martin, developed a binary alloy of beryllium-aluminum, which has been copied by others. Later, the company developed a castable metal matrix composite beryllium-aluminum alloy now manufactured as Beralcast[®] which no one, to the best of our knowledge and inquiry, has been able to duplicate. Other companies have developed casting processes for beryllium-aluminum alloys but, other than Beralcast[®], none are commercially available, to the best of our knowledge.

The Beralcast[®] family of alloys can be used in virtually any commercial and military application requiring complex, lightweight, and/or high-stiffness parts. In general, they serve as a higher performance and/or lower cost replacement materials for cast aluminum, magnesium, titanium, metal matrix composites, non-metallic composites, and pure beryllium or powder metallurgy beryllium-aluminum. Some of the varied applications include disk drive armatures, automotive braking and engine components, advanced cycling rims and aerospace and satellite system components.

The principal Beralcast[®] metal matrix is more than three times stiffer than aluminum with 22% less weight and can be precision-cast to simple and complex configurations. This material is very lightweight with a high modulus of elasticity and can be precision cast for three-dimensional stability. Beralcast[®] is ideally suited for certain demanding semiconductor manufacturing equipment, computer components and other commercial and aerospace applications and allows for a near-net shape to be cast for maximum manufacturing efficiencies.

Our acquisition of Beralcast[®] Corporation will result in additions to our operating working capital balances (accounts receivable, inventory and accounts payable and accrued liabilities) that relate to our ongoing manufacturing operations. The acquisition is also expected to result in an increase in the balance of plant and equipment as it relates to the furnaces and other manufacturing assets owned by Beralcast[®] Corporation.

While it is expected that the Beralcast[®] Corporation acquisition will result in additional sales, cost of sales and selling, general and administrative expenses, Beralcast[®] Corporation's ongoing operations are not expected to have a significant impact on our results of operations in the current fiscal year but will have an impact in subsequent years. For the Beralcast[®] Corporation acquisition to be accretive to our results of operations in future years, Beralcast[®] Corporation will have to complete the relocation of its facility and develop a broader customer base, while managing typical growth related risks such as expense control, employee retention and quality control. The planned relocation of Beralcast[®] Corporation's facility is expected to result in additional expenses. We have budgeted \$250,000 of the net proceeds of the financing for relocation expenses. We may encounter unexpected problems in Beralcast[®] Corporation's operations or relocation of the facility, which could result in material unforeseen expenses.

The Beralcast[®] Corporation acquisition is expected to affect the statement of cash flows as we plan to acquire additional inventory, equipment and undertake leasehold improvements when we relocate Beralcast[®] Corporation's manufacturing operations to a new facility. We have budgeted \$1,850,000 for inventory and capital expenditures in the 12 months following our purchase of Beralcast[®] Corporation. Actual expenditures could be materially different.

CONVERTIBLE NOTE FINANCING

In December 2009, in order to provide short-term funds for corporate activities, we closed a promissory note financing for C\$250,000 (\$238,000) with Firebird, an insider of IBC, convertible

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into units comprising one common share and one full warrant. The convertible note bears interest at a rate of 10% per year and matured on April 1, 2010, subsequent to us closing the short-form prospectus offering.

In April 2010, Firebird converted the note and we issued 1,785,714 common shares for the conversion of the note and 60,097 common shares for accrued interest. We also reserved 1,785,714 common shares to be issued upon exercise of warrants at an exercise price of C\$0.17. These warrants expire April 16, 2012.

Manufacturing Operations

We currently have four manufacturing operations in the United States that employ a total of 80 people that operate in three divisions.

Our manufacturing operations are currently reliant on a single supplier (Ulba) for most of our beryllium, which is a component of approximately 50% of our sales. We can, however, also source beryllium from the US National Defense Stockpile from time to time. As described above, we have signed long-term beryllium supply agreements for beryllium as well as beryllium copper master alloy with Ulba and its parent company.

NONFERROUS DIVISION

Nonferrous Products, Inc. ("Nonferrous") sources multiple copper alloys in cast billet, slab or ingot from mills in North America and Asia and converts these into usable industrial products serving the industrial welding, oil and gas, plastic mold, metal melting, marine defense, electronic and industrial equipment markets. Nonferrous also provides tooling components for the North American automotive industry, the European and North American consumer plastic tooling producers, the global oil and gas service industry, the prime North American submarine and aircraft carrier producers and repair facilities including the US Navy, electronics industries and general equipment manufacturers.

Nonferrous operates from a 48,800 square foot manufacturing plant on land that we own. There is room for significant expansion of plant operations at the current site.

FREEDOM DIVISION

Our Freedom division is based in Royersford, Pennsylvania where it was founded in 1994 by its current management team, which had previous senior management and technical experience in the beryllium casting and marketing industry at Brush Engineered Metals, Inc. ("Brush") (NYSE:BW) and NGK USA. Freedom's core expertise is melting and casting beryllium copper and other beryllium containing alloys and serving the end user market via a distribution network of established dealers and distributors. Freedom is a primary producer-supplier of beryllium copper casting and master alloy ingot products in North America and markets around the world. Freedom also manufactures beryllium nickel and beryllium-aluminum alloy products.

Freedom's facility has three furnaces that have been adapted to meet the specialized requirements of beryllium alloy manufacturing. Freedom has strong technical and manufacturing engineering resources in the highly specialized beryllium and beryllium containing alloy industry, which has allowed Freedom to develop and integrate proprietary direct chill VLT (very low turbulence) semi-continuous casting technology into a highly autonomous billet manufacturing cell. This effort has resulted in the capability to manufacture large 21-inch diameter beryllium copper input billets weighing up to two tonnes. These large scale as-cast billets exhibit consistently fine grained, uniform micro-structures coupled with high purity, low carbide chemical compositions.

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Freedom offers its customers a full range of manufacturing and support services including casting and master alloy products, cast and forged billet products, semi-continuous cast input billets and wrought products. Freedom manufactures its beryllium alloys utilizing either pure metallic beryllium or certified beryllium copper master alloy. We acquired Freedom in May 2008.

Our Freedom division also operates our Specialloy Copper Alloys LLC ("Specialloy") facility in New Madrid, Missouri. We acquired Specialloy in April 2009. Specialloy has operated since 1952 and manufactures and processes a range of copper master alloy, used by foundries to produce copper alloy products, and copper-based alloys in billet and slab form, including beryllium copper alloys. Specialloy opened its existing Missouri facility in 1988. At its height of production, Specialloy served customers in North America, Europe and Asia and developed a global reputation for specialty copper alloys. For the last few years, Specialloy's only significant customer has been our Nonferrous division.

The Specialloy plant is a manufacturing and warehouse building totalling 26,500 square feet, located on a six-acre site in New Madrid, Missouri, USA, approximately 250 kilometres south of St. Louis close to the Mississippi River. It has two furnaces and is capable of producing billets in a range of sizes and compositions. There is room for significant expansion of plant operations at the current site.

BERALCAST® DIVISION

Our Beralcast® division is based in Concord, Massachusetts where it operates from a leased facility. Our Beralcast® division manufactures the Beralcast® family of metal matrices that can be used in virtually any commercial and military application requiring complex, lightweight, or high-stiffness parts. In general, they serve as a higher performance or lower cost replacement materials for cast aluminum, magnesium, titanium, metal matrix composites, non-metallic composites, and pure beryllium or powder metallurgy beryllium-aluminum. Some of the varied applications include disk drive armatures, automotive braking and structural components, advanced cycling rims and aerospace and satellite system components.

The principal Beralcast® metal matrix is more than three times stiffer than aluminum with 22% less weight and can be precision-cast to simple and complex configurations. This material is very lightweight with a high modulus of elasticity and can be precision cast for three-dimensional stability. Beralcast® is ideally suited for certain demanding semiconductor manufacturing equipment, computer components and other commercial and aerospace applications and allows for a near-net shape to be cast for maximum manufacturing efficiencies.

Binary beryllium-aluminum composites were developed by an US corporation, which was originally a metallurgical laboratory affiliated with the Massachusetts Institute of Technology, in cooperation with Lockheed Martin. Beralcast® Corporation owns the intellectual property relating to the more advanced development of this technology, which is a proprietary and patented castable metal matrix composite beryllium aluminum alloy now manufactured as Beralcast(r) which no one, to the best of IBC's knowledge and inquiry, has been able to duplicate commercially.

The current location of our Beralcast® division is not well suited to our needs. Furthermore, the Commonwealth of Massachusetts is trying to evict the company from which we are leasing the premises. This matter is currently before the Superior Court of the Commonwealth of Massachusetts and if our landlord were evicted, we would have to relocate our Beralcast® operations at the same time. We have identified a number of potential premises that we can relocate to and have retained an industrial engineer to assist with planning a new facility.

OPERATING PERFORMANCE AND OUTLOOK

Based on information available to us, the aggregate revenues of our Nonferrous and Freedom divisions for the coming months will continue at approximately their current rate. The recession adversely affected the sales and profitability of our manufacturing divisions, but we saw a sustained increase in order intake and production that started in the summer of 2009 and has continued to the current date.

The US and Canada currently account for about 80% of our sales. To develop our overseas sales, we hired a vice-president of business development who is working on expanding sales outside the US. We are however concerned that the recent weakness of the euro will adversely affect our ability to expand our European sales and will expose us to competition from Europe. Our European sales could, in the long term, also be adversely affected by moves to limit or ban the sale of beryllium-containing products in the European Union. Conversely, any regulatory change would also represent an opportunity for us as we also manufacture non-beryllium containing alloys with similar properties that we can substitute for certain products, if required.

With the purchase of Beralcast[®] Corporation, we expect to further increase our sales. We do not expect the operations of Beralcast[®] Corporation to be accretive to earnings in the next two quarters, at least, as we need to reorganize the business and invest in its operations.

Research Initiatives

We are sponsoring and assisting in research initiatives with a view to increasing demand for beryllium and beryllium oxide. We are currently working on enhanced nuclear fuels and wind turbine applications.

NUCLEAR FUELS

In August 2008, we signed a collaborative research agreement with Purdue to advance the university's existing nuclear fuels research program and to develop a new type of beryllium oxide (BeO) nuclear fuel that is longer lasting, more efficient and safer than current nuclear fuels. The objective of the research is to develop, for commercial use, an enhanced uranium oxide - beryllium oxide (UO₂ – BeO) nuclear fuel suitable for both existing and future nuclear power reactors.

Previous work by Purdue nuclear engineers showed that an advanced UO₂ – BeO nuclear fuel could potentially save billions of dollars annually by lasting longer and burning more efficiently than conventional nuclear fuels while at the same time dramatically impacting the demand for beryllium and beryllium oxide. In addition to the cost savings, an advanced UO₂ – BeO nuclear fuel could also contribute significantly to the operational safety of both current and future nuclear reactors due to its superior thermal conductivity and associated decrease in risks of overheating or meltdown.

Under the terms of our research agreement, Purdue granted us an option at our sole discretion, to enter into either a non-exclusive royalty-free license for commercial application to the intellectual property relating to the development of an advanced beryllium oxide nuclear fuel (the "IP") as developed by Purdue under the agreement, or an exclusive royalty-bearing license to the IP up to a mutually agreed maximum royalty amount. Pursuant to the agreement, Purdue has proposed a maximum 24-month research program with an estimated budget which will be our sole responsibility and which we will pay in quarterly installments.

Purdue led the early research into UO₂ – BeO fuel, which is intended to solve the inherent problem of low thermal conductivity of existing UO₂ fuel. The low thermal conductivity leads to a large temperature gradient across the fuel pellet, which limits the operational performance of

nuclear reactors due to thermal stresses that cause pellet cladding interaction and the release of fission product gases. An enhanced thermal conductivity $UO_2 - BeO$ fuel would decrease maximum fuel temperatures and facilitate a reduction in pellet cladding interaction through lessening thermal stresses that result in fuel cracking, relocation and swelling. Additionally, fission gas release would decrease allowing for higher fuel burn-up and reactor safety would be greatly improved with a faster thermal response and less stored energy in the fuel pins. We have been advised by the Purdue professor emeritus who is guiding the research that if $UO_2 - BeO$ nuclear materials are feasible, they would function in existing, unmodified nuclear reactors.

In April 2010, we appointed James Malone as our vice president of nuclear fuels. He is former vice president of nuclear fuels for Exelon, a wholly owned subsidiary of Exelon Corp. where he was responsible for their nuclear fuel cycle activities, including procurement, safeguards, economics, and fuel cycle cost. As vice president of nuclear fuels, Mr. Malone will foster and manage relationships with potential industry partners and government agencies to collaborate with us on our strategic initiative to develop a more efficient, safer and economically sound beryllium oxide enhanced nuclear fuel. He will devote approximately 25% of his time to IBC activities.

We also have a nuclear fuels research advisory board to assist in developing and implementing a long-term strategic plan to commercialize the nuclear fuel technology currently being developed by Purdue and Texas A&M universities in partnership with IBC. Our nuclear fuels advisory board comprises:

- Dr. Alvin Solomon is a professor emeritus of nuclear engineering at Purdue and holds a PhD in materials science from Stanford University.
- Joel Gingold is an independent nuclear fuels consultant who retired as vice president and general manager of Stoller Nuclear Fuel Division of NAC International in 2005 where he performed a variety of assignments in nuclear fuel fabrication and fuel performance for utilities, industry associations, government agencies, consulting firms and other organizations.

WIND TURBINES

We have teamed with Sentech, Inc., a Washington DC-based clean energy consulting company to explore the development and commercial application of beryllium and beryllium oxides (BeO) in the growing wind energy and wind turbine market. The research is supported by funding from the National Science Foundation Small Business Research Program ("SBIR").

Mineral Exploration

We are seeking to accumulate several mineral properties that could serve as a source of raw materials for future production. We own a comprehensive reference library detailing beryllium mines, deposits and occurrences worldwide, which is complemented by extensive geologic, topographic and bathymetric databases and a comprehensive library of satellite imagery.

In view of the recession, we slowed our mineral exploration activities in late 2008 to conserve cash. We allocated approximately \$1,000,000 from our recent financing to undertake mineral property exploration to be conducted in several phases. We will spend most of the exploration budget at our Spor Mountain property.

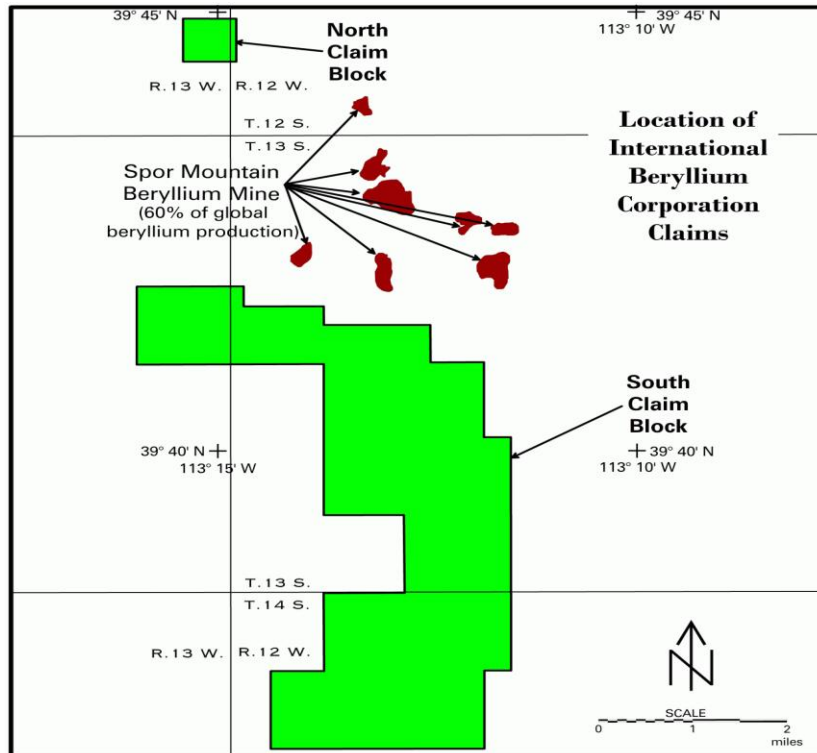
Only two beryllium minerals are of commercial importance for the production of beryllium. Bertrandite is the principal beryllium mineral mined in the United States. Beryl (from pegmatite) is the principal beryllium mineral mined in the rest of the world.

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SPOR MOUNTAIN, JUAB COUNTY, UTAH

Property Description and Location

We own 371 mineral claims near Spor Mountain in Juab County, Utah, USA. The 371 claims comprise approximately 7,665 acres (3,102 hectares) proximal to another company's existing beryllium mining operations at Spor Mountain. The property is situated in a very sparsely populated part of Juab County. It is readily accessible along a paved road system but has limited availability of electricity.



Previous History

This property is situated in an area of known beryllium mineralization described in US Geological Survey ("USGS") Professional Paper 415. Studies conducted by the USGS and by the US Bureau of Mines in the 1960s confirmed the occurrence of beryllium minerals throughout the area and documented the extent and grades of some of the beryllium deposits in this area and their chemical, mineralogical, and physical characteristics.

Exploration

Our Utah mineral claims about the mineral property of Brush at Spor Mountain. Brush operates five open pit mines in this location and produces approximately 64,000 tons of bertrandite ore annually grading 0.32% beryllium. This constitutes approximately 60% of world production, but Brush's lack of additional exploration has led to declining reserves during the past few years.

The beryllium deposits discovered at Spor Mountain in December 1959 have been the major source of this metal in the western world for more than 40 years. The beryllium mineralization at this location occurs in tabular deposits situated along major faults and fractures in an altered water-laid rhyolitic tuff within a valley that once was part of paleo-Lake Bonneville. Our claims

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are located on extensions of these geologic structures initially described by USGS geologists and are presently being mined on Brush's properties.

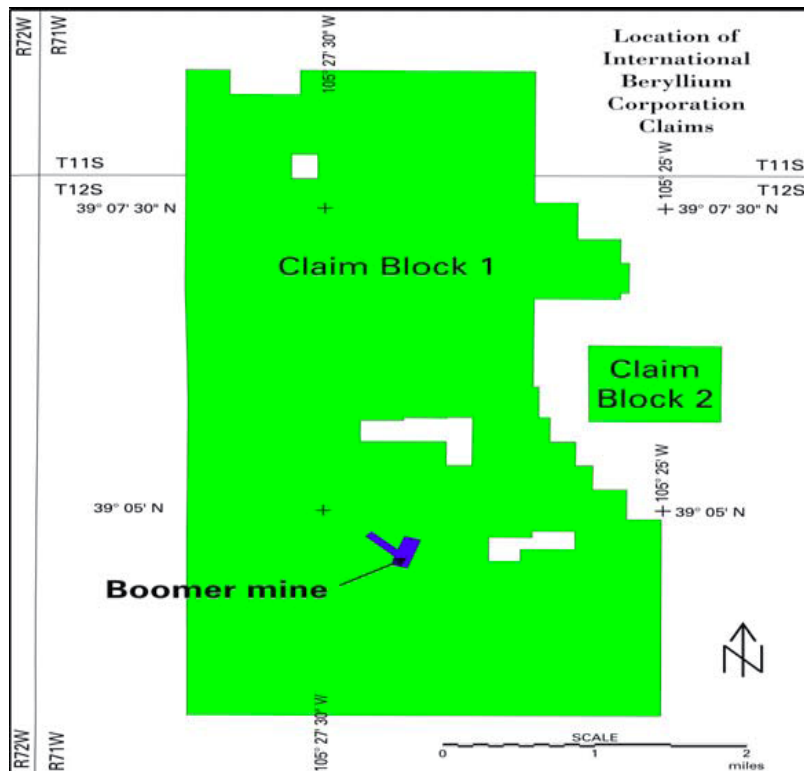
Our analysis of topographic data and high resolution aerial photography of the area has revealed the presence of a previously unmapped extinct volcanic caldera that may prove to be the source of structural control, hydrothermal fluids, and beryllium mineralization in this area. The presence of this caldera poses the possibility of more extensive beryllium mineralization on our claims than has been encountered at the Brush mine site.

Plan

Our future plans include gathering historical data and exploration results from other companies that have worked in the area with a view to formulating a comprehensive exploration program to delineate the extent of the beryllium mineralization and to quantify the size and grade of the deposits within our claim blocks. We are currently planning an airborne geophysical survey for 2010. We will analyze the information from this survey and plan a drilling program with a view to completing an NI 43-101 report on the Spor Mountain property in due course.

LAKE GEORGE, PARK COUNTY, COLORADO

We also own a 100% interest in the Boomer mine located in the Lake George beryllium district, a well known area of beryllium mineralization in Park County, Colorado, USA. The property is comprised of two patented mining claims: (1) the Boomer lode and (2) the East Boomer lode constituting 20.560 acres (8.320 hectares) of land and an undivided one-third interest in the adjacent JS lode, a 9.395-acre (3.802 hectares) patented mining claim. We also staked 517 mining claims (approximately 10,680 acres or 4,320 hectares) on adjacent lands to expand our Colorado interests in the Lake George district.



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Property Description and Location

The Boomer mine is situated in Section 21 of Township 11 South, Range 72 West (T11S, R72W). It lies within the Lake George beryllium area, a prolific beryllium-producing area of South Park, Park County, Colorado. It is well supplied with electricity, water and telephone, and is readily accessible along an established road system.

Previous History

The Boomer mine was historically the second largest producing beryllium mine in the United States from 1948 until 1963 and was the largest beryllium ore producer in 1958. Mining operations were discontinued in the early 1970s due to a legal dispute between the operating partners and there has been no recent exploration activity on the property.

USGS scientists, Dr. Wallace R. Griffiths and Dr. Charles C. Hawley, evaluated the Boomer mine in the 1960s for publication of USGS Professional Paper 608-A and 608-B and USGS Circular 597. They were of the opinion that the Boomer mine retained more than 50% of its mineable reserves. Ore reserves will have to be confirmed by systematic drilling, geochemical sampling, and by geophysical and geological evaluations. We can confirm that the previous reserves are now an historical resource.

Exploration

We have staked of 517 mineral claims in two claim blocks in the Lake George district, which includes the Boomer mine. The staked area is approximately 10,680 acres (4,320 hectares) and includes the former beryllium producing areas of Badger Flats, China Wall, Redskin Gulch, and numerous former producing claims and workings.

Plan

Our future plans include analyzing historical data with the objective of undertaking further geochemical, geophysical, and field geological investigations to identify and delineate any additional ore zones that may be suitable for mining. Once this initial work is complete, we plan to incorporate our findings into a thorough resource estimate for the entire Lake George area.

MINAS GERAIS, BRAZIL

Through a trust arrangement, we hold a 100% interest in two beryllium properties in Brazil: (1) the Coronel Murta Property and (2) the Santa Maria de Itabira Property (the "Brazilian Properties"), which are located in Minas Gerais State, Brazil. Our Brazilian Properties were the subject of an October 2007, geological report prepared for the properties' by Behre Dolbear & Co. (the "Behre Dolbear Report") for the properties' previous owner, Vangold Resources Ltd. ("Vangold"). The Behre Dolbear Report is available for review under our corporate profile on SEDAR at www.sedar.com.

In September 2008, we purchased two additional concessions, the Corrego Pedra Azul and the Corrego Biquinha, in the Coronel Murta municipal district. In December 2008, we decided to temporarily suspend exploration operations in Brazil. While we believe that the mineral properties have economic value, we believe our Utah properties are easier to bring to production and given tight capital markets, we intend to focus on this as we believe it is the most promising exploration opportunity.

Property Description and Location

Our Brazilian Properties are located in Minas Gerais State, Brazil. One is situated in the Santa Maria de Itabira municipal district and the other three are in the Coronel Murta municipal district. The surface owners have not retained a royalty prior to commencement of mining operations.

Santa Maria de Itabira

Mineralization occurs as discrete beryl crystals within the zoned pegmatite matrix. Pegmatite bodies are somewhat linear, oriented approximately NW-SE, and range in thickness from a few centimetres to several metres. The galleries mapped by Brazilian Rockhounds Comércio e Serviços de Minerais Ltda. ("Brazilian Rockhounds") are clustered in an area of approximately 100 metres by 250 metres central to the license area.

Further work will require approval by DNPM of a plan of operations. We are preparing a phased exploration plan for this property but have slowed this process given the current economic climate.

Coronel Murta

Mineralization occurs as discrete beryl crystals in zoned pegmatite bodies. Pegmatites are described by Brazilian Rockhounds in at least five different locations on or adjacent to the license over an area of approximately one kilometre square located in the east central portion of the license. Behre Dolbear was able to visit the portal of one gallery that was collared off the license but, according to Brazilian Rockhounds' mapping, extends up to 50 metres northwesterly into the license area. Behre Dolbear found beryl fragments up to 10 centimetres in long dimension on the dump from this gallery.

A gallery adjacent to the Coronel Murta license was actively producing feldspar, lepidolite, and occasional morganite (a gem variety of beryl). Behre Dolbear observed beryl crystals in the gallery walls up to five centimetres in long dimension.

Further work will require approval by DNPM of a plan of operations. We have not yet commenced work on the Corrego Pedra Azul or the Corrego Biquinha licenses.

Exploration

Exploration to date has been limited to mapping the accessible workings on the Santa Maria de Itabira license, literature search, aerial photograph interpretation, and compiling references on surrounding properties. There are seven gallery entries located on the Santa Maria de Itabira license and beryl and aquamarine production has been reported from these workings. Behre Dolbear was able to confirm pegmatite bodies in the accessible workings but saw no obvious beryl or aquamarine in place. Geologist Silva has mapped the workings. He has produced a report of activities and findings that include maps of the galleries and location of reported beryl production. Behre Dolbear was able to compare the geologic maps of the galleries with two of the galleries and found the work accurate and credible.

Behre Dolbear concluded that the Coronel Murta concession is an early state exploration project. Significant and extensive exploration work in the form of trenching, alluvial sampling, and general reconnaissance needs to be conducted to locate potential high value areas. Once these areas are identified, diamond drilling and more thorough testing must be performed. Most of the work to date is of an overall development nature and is foundational for our continued program.

IBC Advanced Alloys Corp.
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Financial

SELECTED QUARTERLY INFORMATION

During our most recent eight quarters, we have not incurred any loss from discontinued operations or extraordinary items.

Quarter Ended	Revenue	Income (loss) for the period	Basic and diluted income (loss) per share
	\$000	\$000	
June 30, 2008	\$ 978	\$ 29	\$ 0.00
September 30, 2008	2,725	(764)	(0.01)
December 31, 2008 (restated)	3,192	(6,962)	(0.07)
March 31, 2009	3,090	(1,511)	(0.01)
June 30, 2009	2,610	(5,395)	(0.05)
September 30, 2009	2,583	(800)	(0.01)
December 31, 2009	3,744	(479)	(0.00)
March 31, 2010	\$ 4,034	\$ (797)	\$ (0.01)

In the quarter ended June 30, 2008 we recorded income of \$29,000. The change in our operating results from the quarter ended March 31, 2008 was largely due to (1) post-acquisition losses from our Freedom division and exploration activities; (2) reduction of stock-based compensation of \$491,000; and (3) a future income tax recovery of \$92,000.

Our loss for the quarter ended September 30, 2008 was broadly consistent with the prior period after factoring the full quarter of Freedom and REL operations, prior-period stock-based compensation adjustment and current period foreign exchange loss.

Our revenues for the quarter ended December 31, 2008 increased over the prior period following the purchase of Nonferrous, which added \$1,400,000 in sales. Sales in the final quarter of the calendar year are historically lower than the third calendar quarter due to holiday season shutdowns and customers reducing inventory holdings. The more significant factor affecting our December 2008 quarter was a \$5,300,000 impairment provision that we took in respect of goodwill associated with our Freedom division.

Our loss for the quarter ended March 31, 2009 decreased to \$1,500,000, largely because the prior period included a large goodwill impairment provision but the weak economy also adversely affected our results.

Our loss for the quarter ended June 30, 2009 increased as a result of a \$4,339,000 goodwill impairment provision. The weak economy continued to affect our operations, particularly in our Freedom division.

Our loss for subsequent quarters improved over the June 30, 2009 quarter as there was no goodwill impairment provision and the improving economy benefited our operating results. Period-to-period variations in earnings were primarily due to production issues at our operating facilities.

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RESULTS OF OPERATIONS

We incurred a loss of \$797,000 for the three months ended March 31, 2010 compared to a loss of \$1,511,000 in the comparative 2009 period. Our net loss for the nine months ended March 31, 2010 was \$2,077,000 compared to a loss of \$9,236,000 for the nine months ended March 31, 2009. The improvement in our nine-month operating performance was due to the same factors that influenced our quarterly operating results.

Our loss before other items ("operating loss") for the nine months ended March 31, 2010 was \$1,431,000 compared to an operating loss of \$2,963,000 in the comparative 2009 period.

The following table provides details of our loss before other items. Corporate expenses are those not allocated to specific operating segments, including research costs. This table shows the segments as they are reported to management.

	Three months ended		Nine months ended	
	2010	2009	2010	2009
<i>Segment revenues</i>				
Manufacturing	\$ 4,034,000	\$ 3,090,000	\$ 10,361,000	\$ 9,007,000
Mineral properties	-	-	-	-
Corporate	-	-	-	-
Total revenues	\$ 4,034,000	\$ 3,090,000	\$ 10,361,000	\$ 9,007,000
<i>Segment operating loss</i>				
Manufacturing	\$ (25,000)	\$ (552,000)	\$ (202,000)	\$ (1,172,000)
Mineral properties	(41,000)	(35,000)	(120,000)	(269,000)
Corporate, including research	(394,000)	(844,000)	(1,109,000)	(1,522,000)
Loss before other items	\$ (460,000)	\$ (1,431,000)	\$ (1,431,000)	\$ (2,963,000)

A discussion about the significant components of the segment operating loss and net loss follows. Additional information regarding segment results of operations and cash flow can be found in note 18 of our financial statements for the period ended March 31, 2010.

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Manufacturing

- Our gross profit was determined as follows:

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
Sales	\$ 4,034,000	\$ 3,090,000	\$ 10,361,000	\$ 9,007,000
Cost of sales				
Materials	2,166,000	1,608,000	4,907,000	4,243,000
Labour	567,000	864,000	1,560,000	2,006,000
Overhead	635,000	471,000	1,715,000	1,451,000
Amortization	253,000	177,000	663,000	311,000
Change in finished goods	(245,000)	-	(194,000)	176,000
Total cost of sales	3,376,000	3,119,000	8,651,000	8,186,000
Gross profit	\$ 658,000	\$ (29,000)	\$ 1,710,000	\$ 820,000

- We acquired Beralcast[®] Corporation at the end of the current quarter and so it did not have a material impact on our results of operations.
- Our 2009 results were adversely affected by the recession, which hurt our operating results in the second quarter of fiscal 2009 onwards. Our order intake picked up in August 2009 and our results for the second and third quarters of fiscal 2010 were substantially better than for the first fiscal quarter.
- Our gross profit margin in the first quarter of this fiscal year was adversely affected by equipment problems at one of our facilities, which we largely corrected in subsequent quarters although we did encounter some disruptions in the current quarter, which adversely affected gross profit margin.
- Manufacturing operations in the current quarter were adversely affected by snow conditions that shut our operations for several days.

Mineral Properties

- The mineral properties loss relates to the cost of maintaining our Denver office where our staff and contractors plan and manage our mineral exploration activities. We capitalized the direct costs of finding, maintaining and exploring our mineral properties. In late 2008, we significantly reduced expenditures on our exploration properties while we focused on our manufacturing operations. In the current quarter, we increased mineral property activities slightly as we plan our exploration program. When we begin our exploration program on the Spor Mountain property, we will further increase expenditures on supporting exploration activities.

Corporate

- Consulting fees consist of payments made for general corporate consulting and advice, market assessment and industry research and non-audit or accounting services. In the current year, we undertook increased marketing and governmental relations initiatives.

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- Research and development relates to our nuclear fuel research agreement with Purdue under which we make quarterly payments of \$76,000.
- Management and contractor fees include fees for our CEO and CFO's services, mineral exploration management and for general office administration. The decline in corporate expenses from the comparative quarter is largely due to abnormally high stock-based compensation in 2009. The decline in the year-to-date expense is also largely attributable to the change in stock-based compensation.
- Professional fees comprise audit, legal and valuation fees, other than legal fees incurred to acquire properties or for financings, which are capitalized. As described in note 3 of our interim financial statements, we early-adopted Section 1582 of the CICA handbook and accordingly have expensed costs such as professional fees associated with the prospective purchase of Beralcast[®]. In the prior year, such costs would have been capitalized. Such costs approximate \$15,000 in the nine months ended March 31, 2010.

Other Income (Expense)

- Our foreign exchange loss was unusually high in 2008 as a result of holding funds in Canadian dollars at a time when there was a large movement in exchange rates.
- Our manufacturing divisions incurred interest expense primarily on line of credit and term loan facilities. Interest expense increased as credit reviews resulted in higher interest rate.
- Corporate interest expense relates to a vendor loan on the purchase of Nonferrous and also the convertible note (described above under *Convertible Note Financing*). The interest rate on the convertible note was 10%, but the fair value of the conversion feature resulted in a \$127,000 financing charge in the nine-month period.

Income Taxes

- The income tax provision in the current quarter includes income taxes payable on taxable income from our manufacturing operations and estimated net future income tax resulting from temporary differences between the accounting value of assets and liabilities and their value for tax purposes that were partially offset by a future income tax recovery as we amortize acquisition appraisal increments. This future income tax recovery will not result in a positive cash flow. We are unable to apply our Canadian losses against US taxable income, which is why we pay income taxes even though we have a consolidated loss.

CHANGE IN FINANCIAL CONDITION

Changes in our financial condition since June 30, 2009 reflect the following significant factors:

- We raised net cash proceeds of \$9,104,000 through an offering of our common shares.
- We acquired Beralcast[®] Corporation for total consideration of \$4,769,000 (\$2,250,000 in cash and \$2,519,000 in common shares), which resulted in an increase in our property, plant and equipment and intangible assets (see note 6 of our March 31, 2010 financial statements for further particulars).
- Receivables increased due to a large volume of shipments in March 2010.
- We expended cash on corporate activities included research and development.

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LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2010, we had working capital of \$7,106,000, including cash and equivalents of \$6,670,000, as compared to a working capital deficiency of \$70,000 at June 30, 2009. The significant changes from June 30, 2009 were our March 2010 financing which raised net cash proceeds of \$9,104,000 and the reclassification of approximately \$1,500,000 of debt from current to non-current after receiving a waiver of covenant violations from one of our banks.

Factors affecting our liquidity include:

- Our manufacturing operations, over the long-term, generate enough cash to independently support their operations. The main limitation on our cash position is the cost of maintaining our corporate office and funding exploration and research, and other development initiatives. Related to this are restrictions imposed by our banks that currently prevent us from transferring funds from our manufacturing operations to our head office. Consequently, at present, our corporate office, research and development and mineral property exploration activities are entirely dependent on our ability to raise equity funds.
- We have filed for a recovery of previously paid income taxes. To date we have received approximately \$410,000.
- Our Freedom and Nonferrous divisions have entered into bank loan agreements that require each of them to maintain a specified debt coverage ratio, debt to equity ratio and minimum tangible net worth. Failure to conform to these covenants could result in the banks demanding immediate repayment of the loans. At March 31, 2010, we were offside on our covenants in respect of loans for our Freedom division. For Freedom, we met two of three debt covenants but failed to meet the debt service coverage covenant; the debt service coverage ratio was 0.72 compared to a minimum allowed of 1.50. Freedom's bank had waived our covenant violations earlier in December 2009.
- Resource prices, particularly for copper, have a bearing on our manufacturing costs and selling prices, as copper is a large component of most of our products.
- The improvement in the economy that we are experiencing could result in increased working capital required as inventory and receivables increase.
- We subcontract certain manufacturing processes to suppliers. Any delays in the suppliers performing their work can result in us carrying more inventory than is desirable and slow cash collections.
- One of our competitors has commenced an employment-related legal action in respect of an individual that we hired. We do not believe that our financial exposure under this suit is material and we believe we are adequately capitalized to address damages if we are found to be liable.

Our working capital position reflects \$829,000 of debt that would be considered long-term, but has been classified as a current liability because we are not full compliance with our debt covenants.

We may be able to generate additional cash by taking advantage of unused lines of credit, assuming that New Century Bank does not take action over our covenant violations. We will need to raise additional funds to complete our business plan. There can be no assurance that we will be successful in obtaining such funds.

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RELATED PARTY TRANSACTIONS

Transactions

Particulars of our transactions with related parties are disclosed in note 16 to our March 31, 2010 financial statements.

We have renewed a premises lease with a company in which Lee Rice, one of our directors, holds an interest. The term of the lease is for one year, commencing effective February 1, 2010 and expiring on January 31, 2011 and we are required to pay monthly installments of \$875.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Our activities expose us to a variety of financial risks, including foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. From time to time, we may use foreign exchange contracts, commodity price contracts and interest rate swaps to manage exposure to fluctuations in foreign exchange, metal prices and interest rates. We do not have a practice of trading derivatives. In the past, our use of derivatives was limited to specific programs to manage fluctuations in foreign exchange risk, which are subject to the oversight of the board of directors. In general, we attempt to employ a natural hedge by holding funds in the currency in which we expect to spend the monies.

We provide further particulars of risks associated with financial instruments in note 19 of our March 31, 2010 financial statements.

CHANGES IN ACCOUNTING POLICIES

We are subject to new or amended accounting standards including the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1000 "General Accounting"; Section 1582 "Business Combinations", Section 1601 "Consolidations", Section 1602 "Non-controlling interests"; Section 3064 "Goodwill and Intangible Assets" and Section 3682 "Financial Instruments – Disclosures". These new accounting pronouncements are discussed in note 3 of our March 31, 2010 financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the fiscal year beginning July 1, 2011 we will commence reporting under International Financial Reporting Standards ("IFRS"). We have begun to evaluate the impact of IFRS on our financial accounting and reporting systems and are making changes so that we can begin to prepare accounting information under IFRS for comparative purposes effective July 1, 2010.

The transition from GAAP to IFRS is a significant undertaking that may materially affect our reported financial position and operations. We have appointed internal staff to lead the IFRS conversion process and plan to use a web-based service to prepare a diagnostic analysis that identifies the differences between our current accounting policies and IFRS. We expect to be IFRS compliant by July 1, 2011.

We have not yet prepared a complete IFRS changeover plan (the "IFRS Plan"), but have completed a high-level scoping study to consider the potential impact of the implementation of IFRS on our financial reporting. IFRS will not only impact the presentation and disclosure of items in the financial statements but also the determination of future net income and the measurement of balance sheet items. The next stage, which we have started, is to develop a detailed IFRS Plan.

Our IFRS Plan will include modelling the impact of individual IFRS standards and related interpretations on our financial statements. As part of the IFRS Plan, we will be required to

prepare a transition balance sheet as at June 30, 2010 (to be representative of the opening July 1, 2010 balance sheet) in accordance with IFRS. This opening balance sheet will form the opening position of our comparative financial statements when reporting under IFRS. Based on the high-level scoping study, the following IFRS standards are expected to have the most significant impact on us.

- IFRS 1 – First-time adoption of IFRS
- IFRS 2 – Share Based Payments
- IFRS 6 – Exploration and evaluation of mineral resources
- IAS 16 – Property, plant and equipment
- IAS 36 – Impairment of Assets

Once the detailed IFRS Plan is complete, we will begin to design and build an IFRS framework, which includes decisions on available accounting policy choices, formulate policy positions and execution and roll-out of communications strategy. Once the design and build phase is complete we will move to the implement and review phase which includes, preparation of an IFRS opening balance sheet, compilation of comparative data, preparation of quarterly financial statements and disclosures, preparation of annual financial statements and disclosures, monitoring how IFRS evolves, conducting post implementation review and communicating ongoing requirements.

We believe that implementing IAS 16 – Property, plant and equipment will entail a lot of work because of the extent and complexity of our manufacturing plants. As a result, we believe it will be necessary to upgrade our equipment register software and hire an accountant to work with our facilities staff to draw up a complete list of physical plant that reflects the different lives of each asset component. We have subscribed to an on-line service to assist with the determination of stock-based compensation to address differences in the computation of stock-based compensation under Canadian GAAP and IFRS. We intend to undertake this work in 2010. We have early adopted CICA Handbook Section 1582 (which governs the purchase of businesses) since this section is equivalent to IFRS standards on business combinations. This will reduce the reconciliation work for any future business purchases that we complete before adopting IFRS.

Shareholders' Equity

STOCK OPTIONS GRANTED AND REPRICED

We have a rolling 10% stock option plan that allows for the issuance of options equal to 10% of the number of issued shares. Our stock option plan was last approved by shareholders in November 2009. Since our last fiscal year-end, we have granted stock options pursuant to the terms of our stock option plan as follows:

- In August 2009, we granted 100,000 stock options to a nuclear fuels advisory board member exercisable at a price of C\$0.15 each until August 26, 2014
- In July 2009, we granted 100,000 stock options to a nuclear fuels advisory board member exercisable at a price of C\$0.15 each until July 3, 2014.
- In January 2010, we granted 400,000 stock options to an employee candidate exercisable at a price of C\$0.18 each until January 7, 2015.
- In April 2010, we granted 4,310,000 stock options to officers, directors, consultants and employees exercisable at a price of C\$0.17 each until April 30, 2015.

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In February 2009, we reduced the exercise price of 4,344,000 of our existing 5,449,000 incentive stock options with exercise prices of between C\$0.50 and C\$0.83 to C\$0.15. Disinterested shareholders approved this repricing at our November 3, 2009 annual general meeting.

PROPOSED CHANGE TO SHARE CAPITAL

At our annual general and special meeting of shareholders held on November 3, 2009, our shareholders approved the consolidation of our issued and outstanding common shares on the basis of a ratio not to exceed one post-consolidation common share for every three pre-consolidation common shares, with the consolidation to be implemented by the board of directors at any time prior to June 30, 2010. This consolidation was subject to all required regulatory approvals, including that of the Exchange. After discussing the proposed share consolidation with our financing agents, we decided not to implement it.

Please see our information circular, which is filed on SEDAR, for further particulars.

OUTSTANDING SHARE DATA

As at the date of this MD&A, we had issued:

- A total of 191,698,821 common shares. Of these shares, 8,468,823 common shares are held in escrow and will be released November 23, 2010.
- Warrants to purchase 38,198,914 common shares.
- Broker warrants to purchase 4,761,764 common shares.
- Stock options to purchase 14,534,000 common shares.

The maximum number of shares potentially issuable is therefore 249,193,499.