MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of the financial condition and results of operations for the year ended January 31, 2008 of Discovery Air Inc. (the "Corporation") should be read in conjunction with the audited consolidated financial statements and related notes of the Corporation for the year ended January 31, 2008.

The Corporation changed its fiscal year end date from October 31 to January 31 effective for the period ended January 31, 2007. To allow for more meaningful comparison, unaudited results of operations have been provided for the year ended January 31, 2007.

The Corporation's results of operations reflect the impact of seasonal fluctuations (see Business Profile – Seasonal and quarterly fluctuations). Results of operations are also impacted by the Corporation's acquisition of five businesses over the past 24 months. Therefore the results reflected in one period may not be indicative of the results that may be achieved in another period.

Selected Financial Information

($ thousands, except per share amounts)		**12 months ended January 31 2008**		**12 months ended January 31 2007**		**3 months ended January 31 2007**		**12 months ended October 31 2006**
		(audited)		(unaudited)		(audited)		(audited)
Results of operations								
Revenue	$	120,936	$	47,442	$	7,114	$	40,350
Operating expenses	$	92,484	$	36,503	$	12,412	$	24,688
EBITDAR*	$	40,985	$	17,205	$	(4,326)	$	20,955
EBITDA*	$	28,452	$	10,939	$	(5,298)	$	15,662
Net earnings (loss)	$	7,499	$	3,716	$	(4,511)	$	7,690
Earnings (loss) per common share:								
Basic	$	0.06	$	0.06	$	(0.05)	$	0.15
Diluted	$	0.06	$	0.05	$	(0.05)	$	0.14
Total assets	$	376,899	$	279,643	$	279,643	$	183,548
Total long-term debt	$	134,069	$	88,947	$	88,947	$	44,416

* See Non-GAAP measures

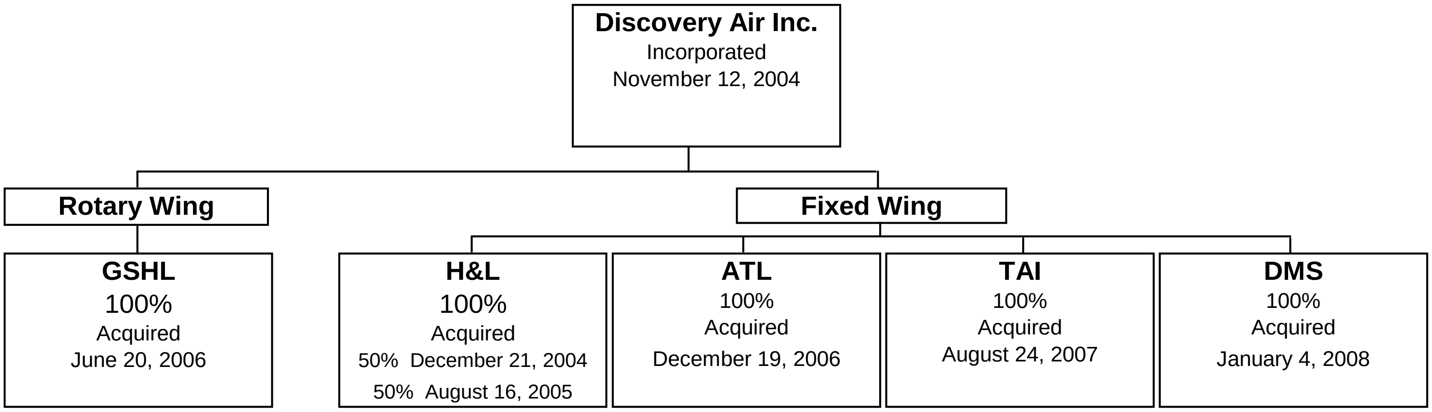
Business Profile

Mission

The mission of the Corporation is to create shareholder value by building an alliance of profitable aviation businesses that can realize synergies, economies of scale and deliver safe, professional air services to clients in selected niche markets.

Organization structure

The Corporation was incorporated on November 12, 2004. On December 21, 2004, the Corporation acquired 50% of the outstanding shares of Hicks & Lawrence Limited (H&L) and acquired the remaining 50% of the outstanding shares on August 16, 2005. On June 20, 2006, the Corporation acquired 100% of the outstanding shares of Great Slave Helicopters Ltd. ("GSHL"). On December 19, 2006, the Corporation acquired 100% of the outstanding shares of Air Tindi Ltd. ("ATL"). On March 14, 2007, H&L purchased the wheel division assets of Walsten Air Service (1986) Ltd. ("Walsten"). On August 24, 2007, the Corporation acquired 100% of the outstanding shares of Top Aces Inc. ("TAI"). On January 4, 2008, the Corporation acquired 100% of the outstanding shares of Discovery Mining Services Ltd. ("DMS").



Operations
For management purposes, the operations of the Corporation are segregated into two operating segments:
1. Rotary Wing, being the operations of GSHL; and
2. Fixed Wing, being the operations of ATL, TAI, H&L, including its Walsten division, and DMS.

Non-segmented activities are classified as Corporate Support. The results of operations for the Corporation's subsidiaries are included in the Corporation's consolidated financial accounts from the date of acquisition forward.

Rotary Wing Segment
GSHL is a Northwest Territories-based helicopter company that provides chartered air transport services throughout Northern Canada and several of the Canadian provinces. Both alone and in partnership with the northern Aboriginal groups, GSHL provides aviation services to government and private sector companies in areas such as mineral, base and precious metal exploration and production, wildlife services, forest fire suppression, oil and gas exploration, power line construction and maintenance, aerial surveys, tourism and flight training.

Fixed Wing Segment
ATL is a Northwest Territories-based airplane company that provides scheduled and chartered passenger and air cargo service to private sector companies, governments and individuals in such areas as mineral, base and precious metal exploration, oil and gas exploration and tourism. ATL also provides air ambulance services throughout the Northwest Territories. TAI, a Quebec-based aviation company, is a specially qualified supplier of airborne training services to the Department of National Defence. H&L is an Ontario-based aviation company that provides air services to niche markets in Ontario, primarily fire suppression and other transportation services to the provincial government. DMS is a Northwest Territories-based company that provides remote exploration camps, expediting, logistics and staking services to primarily diamond and mineral exploration companies. While DMS contracts a considerable level of rotary and fixed wing aviation services in the conduct of its business, it contracts a much higher level of the fixed wing services than the rotary wing services and therefore its results have been included in the fixed wing segment.

Seasonality and quarterly fluctuations
There are seasonality and other factors that can impact on the comparability of results from one period to another.
- There is increased demand for the services provided by GSHL, H&L, ATL and DMS normally commencing in the spring and continuing through to the end of the summer.
- TAI's revenue generating opportunities are significantly higher in the February to June and September to November time periods. Though TAI revenues are relatively predictable over a twelve month period, they can vary substantially from month to month depending on weather conditions and its customer's priorities.
- The Corporation attempts to perform most major repairs and refurbishment during the slower periods of revenue generating potential. As well, repair and maintenance on aircraft are not incurred evenly throughout the year and the timing of expenses within a year may vary from one period to another.
- Weather conditions can have an impact on available flight hours from one period to another.
- The timing of an acquisition in relation to the above factors can have an impact on the comparability of results.

As a result, the operations of the Corporation are subject to seasonal and other variations that make comparability difficult. Operating results therefore may vary from quarter to quarter and results of one quarter may not be indicative of results that may be achieved for another quarter or the full year.

Strategy and Strengths

The Corporation is an investment company. It invests in businesses that provide aviation and aviation related services to customers in niche markets. The Corporation's investment portfolio is currently comprised of companies that provide fixed-wing and rotary-wing services as well as logistics and remote operations management services.

The Corporation will drive growth by continuing to seek and acquire accretive high-quality niche aviation and aviation related service companies. In identifying new acquisition opportunities, the Corporation will consistently employ selection criteria that assess sustainable growth potential, enduring competitive advantage, strong cash flow, and the existence of a highly competent, trustworthy management team. Growth will also be achieved organically from the Corporation's existing operating companies through fleet expansion, introduction of new or expanded services and by entering into new geographic markets that would benefit from the Corporation's high level of service.

Aviation services are delivered by the Corporation's subsidiaries. Discovery Air Inc. at the corporate level has no day-to-day operational responsibilities. It provides its subsidiaries with access to capital and corporate services which include investor relations management, treasury services, group financial reporting and accounting, corporate legal services, public company administration, and group-wide human resource policies. It also provides a forum through which its subsidiaries can benefit from synergies and economies of scale as well as sharing of best operational practices.

The Corporation's current investment portfolio is comprised of companies whose success is fundamentally based upon strong customer service, a reputation for quality and safety, a loyal customer base, a dominant position in their markets, and a minimum 20-year successful business track record in the case of GSHL, ATL and H&L.

GSHL and ATL provide an essential service to many of their customers as access to, and movement at, the majority of their customers' locations are only possible via aircraft. This includes the movement and transport of people, freight, equipment, and essential supplies. TAI and H&L also provide essential services to their customers in the form of cost-effective Government outsourced aviation service solutions.

Business Acquisitions

The following section provides a chronological reverse order summary of the Corporation's acquisitions during the current and comparative years. Further information on these acquisitions is disclosed in Note 3 of the consolidated financial statements for the period ended January 31, 2008.

Discovery Mining Services Ltd.

On January 4, 2008, the Corporation acquired the operating business of Discovery Mining Services in exchange for $3.1 million cash, including costs of acquisition, $2.0 million vendor-take-back note payable and $5.0 million in common shares of the Corporation. For accounting purposes, the purchase price approximates $10.1 million. DMS is a provider of remote exploration camps, expediting, logistics and staking services to a broad spectrum of mineral and diamond exploration companies operating in the Northwest Territories, Nunavut, Northern Alberta and Northern Saskatchewan. DMS has its head office located in Yellowknife, Northwest Territories. The results of the operations of DMS included in the audited consolidated financial statements are from the date of acquisition, January 4, 2008 to January 31, 2008. The acquisition of DMS is in line with the Corporation's acquisition criteria summarized above. DMS is a high volume user of both fixed-wing and rotary-wing air transportation services. Additionally, the acquisition of DMS provides the Northern based subsidiaries with forward visibility concerning mineral, base & precious metal exploration activity.

Top Aces Inc.

On August 24, 2007, the Corporation acquired 100% of the outstanding shares of Top Aces Inc. for cash consideration of $35.6 million, including costs of acquisition and 20 million common shares of the Corporation. For accounting purposes, the purchase price approximates $66.2 million. TAI is a specially qualified supplier of airborne training services to the Department of National Defence. The acquisition of TAI diversifies the Corporation's operating activities both geographically and by product line. The acquisition will also reduce the seasonality of the Corporation's revenues. The results of the operations of TAI included in the audited consolidated financial statements are from the date of acquisition, August 24, 2007 to January 31, 2008.

Walsten Air Service (1986) Ltd.

On March 14, 2007, the Corporation's subsidiary, H&L, purchased the wheel division and related assets of Walsten Air Service (1986) Ltd, including four Beech King Air aircraft, its hangar facility, equipment and inventory located in Kenora, Ontario and intangible assets related to the business for a total cash consideration of $5.3 million. The results of the operations of Walsten included in the audited consolidated financial statements are from the date of acquisition, March 14, 2007 to January 31, 2008.

Air Tindi Ltd.

On December 19, 2006, the Corporation acquired 100% of the issued and outstanding shares of ATL for cash consideration of $20.4 million including costs of acquisition and 20 million common shares of the Corporation. For accounting purposes, the purchase price approximates $63.7 million. ATL operates a diversified fleet of 24 fixed wing aircraft offering scheduled and chartered passenger and cargo services, as well as air ambulance services, in Northern Canada. Its customers include, among others, major diamond and base metal exploration and mining companies and the Governments of Canada and the Northwest Territories. A full year of results for ATL is included in the consolidated financial statements for the year ended January 31, 2008. In terms of the comparative twelve-month period, the consolidated results only include the results of ATL from December 19, 2006 to January 31, 2007, a seasonally low operating period for ATL.

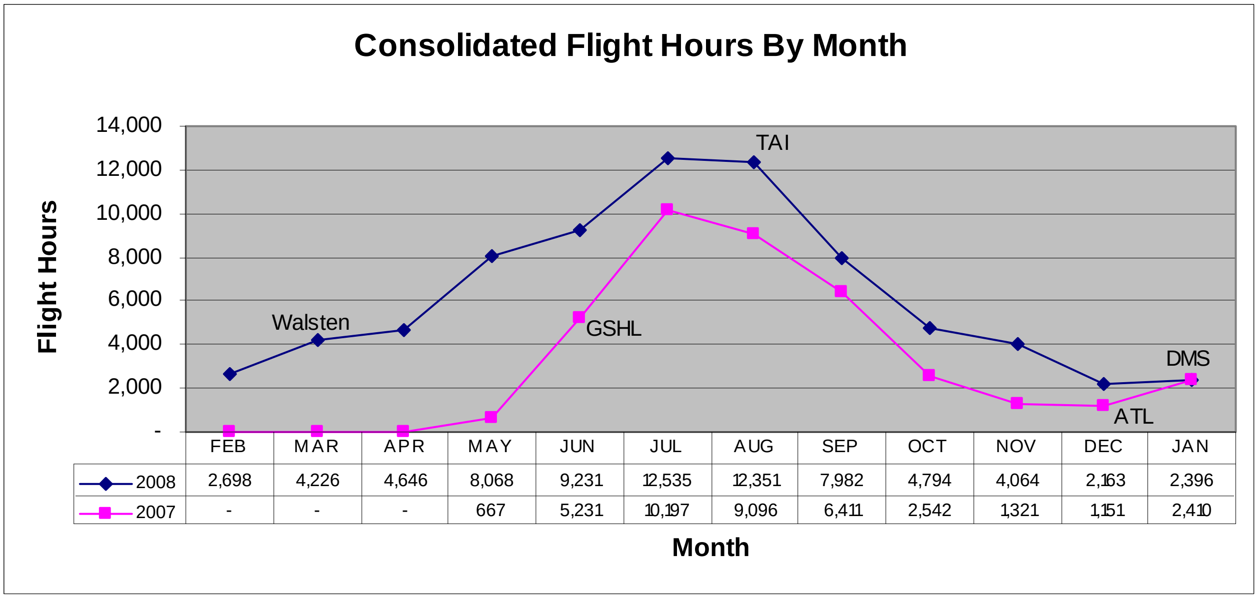
Great Slave Helicopters Ltd.

On June 20, 2006, the Corporation acquired 100% of the issued and outstanding shares of GSHL for cash consideration of $20.6 million including costs of acquisition and 40 million Class A common shares of the Corporation. For accounting purposes, the purchase price approximates $102.5 million. GSHL is a helicopter company that, in partnership with Aboriginal groups, operates a fleet of over 70 helicopters and provides services throughout Northern Canada and several of the Canadian Provinces to governments and private sector companies in areas such as mineral, base and precious metal exploration and production, wildlife services, forest fire suppression, oil and gas exploration, power line construction and maintenance, aerial surveys, tourism and flight training. A full year of results for GSHL is included in the consolidated financial statements for the year ended January 31, 2008. In terms of comparative twelve-month period, the consolidated results only include the results of GSHL from June 20, 2006 to January 31, 2007, which captures GSHL's peak operating season results and only a portion of their low operating season results.

Results of operations for the comparative twelve-month periods ended January 31, 2008 and January 31, 2007

Revenue and Hours Flown

The Corporation's revenue is primarily generated from helicopter and airplane transportation services that are delivered through its subsidiaries and are largely driven by flight hours. The following graph provides monthly consolidated flight hour information that assists in understanding the impact of acquisitions on total flight hours and the relative seasonality of the Corporation's flight operations.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
2008	2,698	4,226	4,646	8,068	9,231	12,535	12,351	7,982	4,794	4,064	2,163	2,396
2007	-	-	-	667	5,231	10,197	9,096	6,411	2,542	1,321	1,151	2,410

The markers in the above graph indicate the month in which each of the named subsidiaries were acquired.

Consolidated

Revenues were $120.9 million for the twelve-month period ended January 31, 2008, compared to $47.4 million for the same twelve-month period last year. The year over year increase in revenues of $73.5 million or 155%, can be summarized as follows, in millions of dollars:

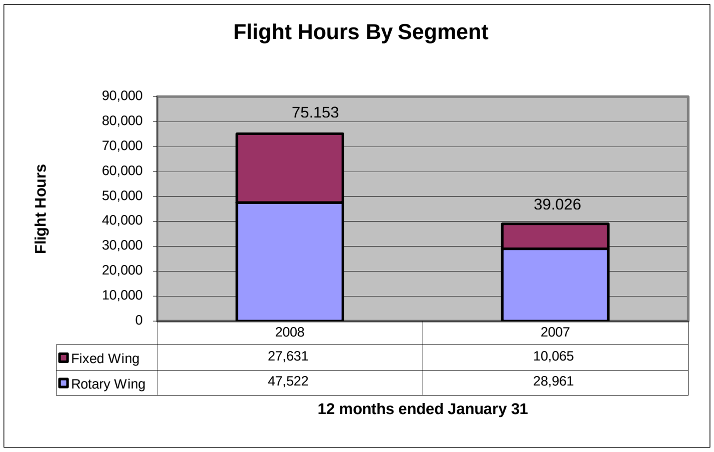
Incremental revenue from businesses acquired during the year (Walsten, TAI & DMS)	$14.5
Increase in year over year revenues from businesses acquired in the previous year (GSHL & ATL)	$60.0
Decrease in H&L revenues	($ 1.0)
	$73.5

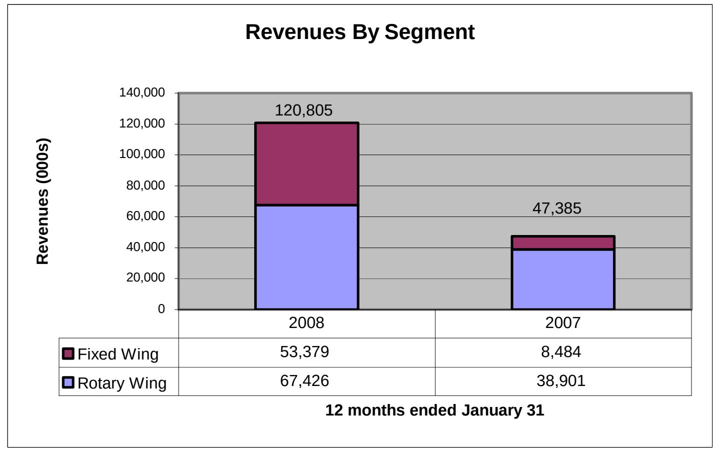
Hours flown for the year were 75,153 compared to 39,026 for the same twelve-month period last year. The year over year increase in hours flown of 36,127 hours or 93%, can be summarized as follows:

Incremental hours from businesses acquired during the year (Walsten & TAI)	2,787
Increase in year over year hours from businesses acquired in the previous year (GSHL & ATL)	36,830
Decrease in H&L hours	(3,490)
	36,127

Total revenue of $120.9 million for the most recent year was in line with the outlook provided in the Management's Discussion & Analysis for the quarter ended October 31, 2007. However, the mix of revenues for the most recent quarter differed from expectations. The rotary wing division had stronger revenue levels than expected during the fourth quarter of fiscal 2008. This strong performance was offset by weaker than expected revenues for the fixed wing division, which were affected by extremely cold weather conditions and the timing of training missions for the Department of National Defence.

The following is a summary of rotary and fixed wing segment hours and revenues for the comparative period.





Rotary wing segment

The rotary wing segment flew 47,522 hours generating revenues of $67.4 million for the twelve-month period ended January 31, 2008, compared to 28,961 hours generating revenues of $38.9 million in the comparative period last year. The current year's results reflect a full year of results as compared to the comparative year which reflects an abbreviated reporting period from June 20, 2006 to January 31, 2007. In comparing the full twelve-month period for the current year to the full twelve-month period for the prior year, which includes pre-acquisition activity, the rotary wing segment was able to increase flight hours by 12% in spite of lower hours in the Ontario forest fire suppression business during the second and third quarter of this year. This was due to GSHL's ability to re-deploy their fleet throughout the year to service the strong mining and oil and gas activities in the Northwest Territories and Alberta. Also contributing to the organic growth was the development of the airborne geophysical survey division, which represented 13% of the current year's total revenue. GSHL committed additional resources over the past year with the expectation of increasing revenues from this line of service. In addition to the increase in hours flown in the current year, GSHL increased the revenues per hour by 6% compared to the prior year due to rate and minimum hour increases implemented during the year. GSHL was also able to increase the use of the higher yielding medium and intermediate aircraft in the current year. The impact of the increase in pricing and minimum flight hours, as well as a shift in the composition of aircraft use, resulted in overall revenue per flight hour rate in the current year of $1,418 compared to $1,343 for the same period last year.

Fixed wing segment

The fixed wing segment flew 27,631 hours generating revenues of $53.4 million for the twelve-month period ended January 31, 2008, compared to 10,065 hours generating revenues of $8.5 million in the comparative period last year. The current year consolidated financial statement results reflect a full year's activity for ATL and H&L, and the results of Walsten, TAI and DMS since being acquired on March 14, 2007, August 24, 2007 and January 4, 2008 respectively. The combined incremental revenues from these new acquisitions for the current year were $14.6 million which accounts for 27% of the fixed wing segment's total revenues for the current year. ATL's full year's revenues were $34.0 million or 64% of the fixed wing segment's total revenue for the current year.

The comparative results include the results of H&L for a full year and ATL for only the abbreviated, seasonally slow period from December 19, 2006 to January 31, 2007.

ATL's revenue levels were negatively impacted from expected levels in the first quarter of this fiscal year by the following:

- unusually favourable ice road conditions that resulted in a higher than normal number of truckloads being shipped over the ice roads, which led to a lower demand for the Dash-7 aircraft; and
- an hour threshold that was triggered in one of ATL's long term contracts that led to a significant reduction in the customer's rate for flight services for a two month period.

The impact of these events in the first quarter reduced expected revenues by an estimated $858,000. As well as these first quarter impacts on ATL's expected revenue levels, the fourth quarter of this year presented weather conditions that were much more severe than the previous year, leading to a reduction in available flying days.

H&L's piston division, which derives substantially all its revenue from forest fire suppression activities in northern Ontario, reported lower revenue compared to the prior year due to the wet conditions in northern Ontario this year. The impact of the wet weather conditions resulted in 3,490 fewer hours flown for H&L compared to the prior year which had the effect of reducing revenues by an estimated $1.0 million or 18% from the prior year. The Walsten operation was also negatively impacted by the weak fire suppression season, resulting in less revenue than expected.

TAI's revenues were lower than expected during the fourth quarter of this year due to mission cancellations caused by severe weather conditions and a shift in customer scheduling.

The current year yielded a revenue per hour rate of $1,933 compared to $845 for the same period a year ago. The year over year increase in the revenue per hour rate is due to the higher rate charged by ATL and TAI incorporated in the current year's results compared with the prior year where revenues and flight hours were primarily from H&L whose smaller piston aircraft yield a lower revenue per hour rate. The Corporation anticipates higher average revenue per hour rate for the fixed wing segment based on TAI's full year contribution going forward. Due to the highly specialized nature of the services it provides, TAI's fleet of aircraft yield a higher revenue per hour rate compared to rest of the Corporation's aircraft fleet.

Due to the timing of the DMS acquisition being in the final month of the Corporation's year end, their results had minimal contribution to the current year's results. However, the Corporation expects DMS' full year revenues to contribute approximately 7% of the total fixed wing segment revenues in the upcoming year.

Operating Expenses

Operating expenses consist of fixed and variable expenses including crew and fleet costs and general and administrative expenses. Crew and fleet costs are the largest expense categories. Crew costs are comprised of wages, benefits and training for pilots and maintenance engineers. Fleet costs are comprised of aircraft lease cost and maintenance costs, which consist of the purchase, repair and overhaul of parts, major components and accessories. The amortization of engine and rotable component overhauls are included in maintenance costs and are classified as operating expenses for financial reporting purposes. General and administrative expenses are mainly comprised of wages and benefits of administrative personnel, facility costs, travel costs, insurance costs and other overhead expenses. These operating expenses contain both a fixed and variable cost component.

Operating expense were $92.4 million for the twelve-month period ended January 31, 2008, compared to $36.5 million for the comparative period last year. The large year over year variance is attributed to the inclusion of the operating expense of TAI, Walsten and DMS since their acquisition in the current year, the full year's result for GSHL and ATL in the current year, as well as the increased corporate services costs required to support a much larger scale of business operations. The corporate services group increased its salary, travel and investor relations costs in the current year to support the business operations acquired. The combined total for these corporate support costs, including stock-based compensation expenses, was $5.8 million compared to $2.2 for the same period last year.

In keeping with the Corporation's vision to align the interest of employees and shareholders, the Corporation granted 3.2 million stock options to employees in the current year. Non-cash stock-based compensation expense of $2.0 million was incurred in the current year related to the vesting of options granted.

While most of the increase in operating expenses was directly attributable and proportionate to the increased operations, the Corporation incurred a number of non-recurring expenses which were primarily reflected in the corporate services segment. The Corporation changed its year end from October 31 to January 31 and the associated cost of preparing the annual report and hosting a second annual meeting was approximately $144,000. Corporate services also incurred one-time costs related to hiring and the setting up of a corporate office. Prior to May 2007 varying degrees of these services were provided under a services contract between the Corporation and Pacific & Western Bank of Canada.

EBITDA and EBITDAR (see Non-GAAP Measures)

Consolidated

EBITDA was $28.5 million for the twelve-month period ended January 31, 2008, compared to $10.9 million for the same period last year. EBITDA margin for the current year was 24% compared to 23% for the same period last year. EBITDA margins remained consistent with prior year in spite the following factors:

- comparative results exclude GSHL's results for the seasonally low period from February 1, 2006 to June 20, 2006;
- lower revenues were recorded in H&L year over year due to the wet fire season in the current year;

- a large portion of the company's operating costs are fixed in nature and therefore lost revenue opportunities such as adverse weather conditions or rescheduling of services by customers, have a direct impact in reducing EBITDA margins; and
- the Corporation incurred increased corporate services costs in the year.

In its Management's Discussion and Analysis for the quarter ended October 31, 2007 the Corporation provided guidance that it expected EBITDA for the current year of $31.0 million. While revenue was in line with the guidance provided, the following factors impacted the expected EBITDA levels:

- the mix of revenues during the most recent quarter had a higher than expected concentration in lines of business that have lower margins;
- operating costs have a high component of fixed costs which does not allow the company to reduce its costs when revenue opportunities are lost due to unforeseen conditions; and
- additional staffing was added in some of the businesses to position operations for expected business levels in fiscal 2009.

EBITDAR was $41.0 million for the twelve-month period ended January 31, 2008, compared to $17.2 million for the same period last year. The overall aircraft lease cost for the year of $12.5 million was higher than the prior year due to the combination of the inclusion of ATL's and GSHL's results for a full year and TAI's results since being acquired August 24, 2007. EBITDAR margin for the current year was 34% compared to 36% for the same period last year. While the full year results of ATL and the results TAI since being acquired on August 24, 2007 contributed to the overall year over year increase in aircraft lease costs, the decrease in EBITDAR margin in the current year highlights the fixed wing segment's lower utilization of leased aircraft to generate their revenues compared to the rotary wing segment. In the prior year the rotary wing results were more prominent in the overall results.

Rotary wing segment

The rotary wing segment reported EBITDA of $20.5 million for the twelve-month period ended January 31, 2008, compared to $12.0 million for the same period last year. The EBITDA margin was 30% in the current year compared to 31% in the same period last year. The consolidated results for the twelve-months ended January 31, 2007 only included results for GSHL for the period from June 20, 2006 to January 31, 2007. This period is a much more profitable period than the period from February 1 to May 31 of each year. For example, EBITDA of the rotary wing division for the first quarter of the current year was only $381,000 or 4% as a percentage of revenues. The rotary wing segment recorded strong performance during the year despite some challenges that arose with respect to the weak fire season in Ontario and some late aircraft deliveries. The segment's EBITDA contribution exceeded the Corporation's expectation for the year.

The rotary wing segment had EBITDAR of $31.9 million in the current year compared to $18.2 million for the same period last year. EBITDAR margin was 47% for the year compared to 47% for the same period last year. The EBITDAR for the current year compares favourably year over year due to a full year of results being included in the current year while only abbreviated, seasonally high results are included in the prior year.

Fixed wing segment

The fixed wing segment reported EBITDA of $13.6 million for the twelve-month period ended January 31, 2008, compared to $1.9 million for the same period last year. The year over year increase in EBITDA was due to the inclusion of ATL's full year results and TAI's results since August 24, 2007. The total EBITDA from these operations was $12.5 million which represented 92% of total EBITDA reported from the fixed wing segment. EBITDA margin was 26% for the year compared to 22% for the same period last year. EBITDA margin was higher over the prior period primarily due to the results of ATL and TAI which combined had an EBITDA margin of 27%. For H&L, the revenue shortfall combined with committed fixed costs resulted in the reduction of EBITDA margin in the current year to 16% compared to 30% for the same period last year. The fixed wing segment's EBITDA contribution was lower than the Corporation's expectation for the year due to the following factors:

- EBITDA from H&L was $1.1 million in the current year which was lower by $1.2 million or 52% from the prior year due to the wet weather in Northern Ontario negatively impacting the fire suppression business;
- EBITDA for ATL was negatively impacted in the first quarter due to favourable ice road conditions and threshold hours on a long term contract being met which lowered the rates for flight services, as noted above in the revenue discussion;
- extremely cold weather conditions in the fourth quarter of the current year resulted in lower than expected level of available flying days for both ATL and TAI; and
- timing of training missions by the Department of National Defence led to lower than expected flying hours for TAI in the fourth quarter of this year.

The fixed wing segment had EBITDAR of $14.8 million in the current year compared to $1.9 million for the same period a year ago. EBITDAR margin was 28% for the year compared to 23% for the same period last year. The increase in EBITDAR and EBITDAR margin in the current year are due to the inclusion of ATL's results for the full year and TAI since being acquired on August 24, 2007.

Financing charges

Financing charges were $10.3 million for the twelve-month period ended January 31, 2008, compared to $2.8 million for the same twelve-month period last year. The increased finance costs are reflective of the increased debt levels the Corporation has assumed in growing the business through acquisitions and investing in new aircraft. The acquisition of TAI was funded in part by a $33.0 million term loan and the assumption of $6.8 million of TAI's existing debt. The current twelve-month period also reflects a full year interest costs related to the convertible debenture that was issued in December 2006 to finance the purchase of ATL. In January 2008, the Corporation arranged a $75.0 million evergreen term debt facility to replace the acquired fleet debt held in H&L, GSHL and ATL as well as finance future capital expenditures. Full availability of this credit facility is subject to certain conditions being met. At the end of the current year approximately $46.8 million was drawn from this facility to refinance existing credit facilities. The refinancing resulted in a non-recurring charge of $151,000 related to pre-payment charges and write off of unamortized deferred charge on extinguished debt.

Amortization Expenses

Amortization of buildings and equipment

Amortization of building and equipment expense was $6.4 million for the current twelve-month period ended January 31, 2008, compared to $2.5 million for the same twelve-month period last year. The amortization of buildings and equipment increased in the current year due to the full year operations of GSHL and ATL, the inclusion of assets acquired from Walsten, TAI and DMS totalling $50.0 million, and the purchase of capital assets totalling $28.0 million in the current year.

Amortization of intangible assets

Amortization of intangible assets expense was $3.0 million for the current twelve-month period ended January 31, 2008, compared to $867,000 for the same twelve-month period last year. The amortization of intangible assets relates to the periodic expensing of a portion of the purchase price for acquired companies attributable to certain identifiable intangible assets such as the estimated fair market value of customer relationships. The significant year over year increase in the amortization of intangible assets was due to the full year amortization of intangible assets recorded on the acquisition of ATL and GSHL, the amortization of the intangible assets recorded on the acquisition of TAI since being acquired on August 20, 2007 and, to a much lesser extent, DMS, which was acquired in early January 2008. The portion of the purchase price attributed to customer relationships for ATL, TAI and DMS were $5.2 million, $18.2 million and $1.4 million respectively. While these assets are being amortized in accordance with Canadian generally accepted accounting principles, the Corporation has no reason to believe that these customer relations will not be of continuing value to the Corporation.

Income Taxes

Income tax provision was $977,000 for the twelve-month period ending January 31, 2008, compared to $848,000 for the same period last year. The Corporation's tax provision in the current year reflects a favourable net future tax recovery of $2.0 million. The income tax adjustment was comprised of a $3.0 million favourable adjustment for declining enacted tax rates and a $919,000 expense relating to permanent differences. The Corporation's statutory rate for the twelve-month ended period January 31, 2008 and the comparable period a year ago approximated 34% with the effective rate slightly in excess of this due to the non-deductibility of certain expenses such as stock-based compensation expense.

The Corporation's statutory income tax rate for the year ending January 31, 2009 is expected to approximate 31%.

Liquidity and Financial Resources

Operating activities

The Corporation generated cash flow from operating activities of $16.5 million for the twelve-month period ended January 31, 2008, compared to $13.4 million for the same period last year. The current year cash flow from operations was impacted by a $5.4 million increase in non-cash working capital investment to support a larger operation compared to prior year.

The Corporation's working capital balance remained consistent year over year, with a current year balance of $16.2 million compared to $16.5 million last year. While the working capital balance remained consistent, the composition of working capital was impacted by the current year's acquisition of Walsten, TAI and DMS. The current ratio was 1.78 compared to 1.67 a year ago. The improved current ratio from the prior year was due to the significant decline in tax liability and current portion of long-debt arising from the fleet debt refinancing. As at January 31, 2008, the $10.2 million current portion of long-term debt includes $5.3 million in term debts which were refinanced subsequent to year-end and a portion will be reclassified as a long term liability.

The Corporation believes it has sufficient working capital to meet its current and future operating requirements based on its existing working capital position and cash generated from operations. In addition, the Corporation has various committed and uncommitted working capital credit facilities available as a source for any short-term financing requirements which could arise in relation to the seasonality of its revenue patterns. The Corporation does not expect any significant changes to its future working capital requirements other than possible changes caused by a large acquisition or capital expenditures related to fleet expansion. These transactions are consistent with the Corporation's strategy and it is expected that these transactions would be largely financed by some combination of debt and equity.

Other than $33 million in term debt that matures on February 1, 2009, the Corporation is not aware of any balance sheet conditions, income items or cash flow items that could materially impact liquidity. There is also no liquidity concerns associated with the Corporation's financial instruments. The Corporation did not maintain investments in asset-backed commercial paper or other investments whose liquidity and underlying value have been impacted by recent capital market conditions.

Investing activities

The Corporation had a net cash outlay of $66.4 million related to investing activities for the twelve-month period ended January 31, 2008, compared to $39.3 million for the same period last year. During the current year, the Corporation made capital asset investments of $20.1 million largely in fleet expansion and capitalized overhaul and maintenance cost. The fleet expansion was highlighted by the acquisition of three intermediate helicopters and a fixed wing, single engine turbo-prop. The Corporation has committed to acquire three intermediate helicopters, eight Alpha jets and related parts and inventory totalling $18.1 million during upcoming year. Other than routinely scheduled maintenance and overhaul of the Corporation's existing fleet, the Corporation does not expect any significant overhaul or maintenance outlay in the foreseeable future.

During the year, the Corporation made a net cash outlay of $38.7 million for the acquisition of Walsten, TAI and DMS. The Corporation made a net cash outlay of $37.3 million in the prior twelve-month period for the acquisition of GSHL and ATL. These acquisitions are consistent with the Corporation's growth strategy to actively seek and acquire highly profitable companies that complement the Corporation's existing operations or present a strong growth opportunity in a niche market. This strategy has been successful for the Corporation thus far and there is no intention in the foreseeable future to change this strategy.

Financing activities

The Corporation obtained new debt totalling $95.5 million during the twelve-month period ended January 31, 2008, compared to $29.6 million for the same period last year. The breakdown of new debt in the current and prior year is as follows:

2008

- $46.8 million to refinance existing aircraft debt
- $33.0 million related to the acquisition of TAI
- $11.5 million to finance new aircraft and capital equipment
- $4.2 million related to the acquisition of Walsten

2007

- $27.6 million from convertible debenture related to the acquisition of ATL
- $1.9 million related to the convertible debenture costs
- $100,000 related to finance capital equipment

The Corporation made principal repayments totalling $58.0 million during the twelve-month period ended January 31, 2008. Of the $58.0 million in debt repayments made in the current year, $12.7 million related to scheduled debt repayment with the remaining $45.3 million representing the refinancing of existing debt, net of refinancing costs incurred. The Corporation made principal repayments of $7.6 million for the same period last year.

For the twelve-month ended January 31, 2008, the Corporation received $272,000 in cash related to the issue of common shares, compared to $23.4 million for the same period last year. The comparative amount was primarily related to the funding for the acquisition of GSHL.

Debt Financing

During the current year, the Corporation entered into a revolving long-term debt agreement to finance certain of its fleet assets. As at January 31, 2007, the Corporation had $50.0 million available to it under this credit facility. However subject to certain conditions being met, the loan limit could increase up to $75.0 million. The initial advance was used to retire individual lending arrangements inherited by the Corporation upon acquisition of certain subsidiaries totalling $46.8 million. The loan bears an interest rate of 30 day BAs plus 2.50% and has a 5 year term. The Corporation has provided a general security agreement over its assets and the assets of GSHL, ATL and H&L to secure this credit facility. The debt is an evergreen facility which currently only requires the repayment of interest over the term of the debt. On each anniversary date the lender has the option to convert the evergreen facility to an amortizing debt with the principal balance at the time amortized over a 10 year period. There are various covenants, including financial covenants, that the Corporation is required to comply with. The Corporation is in compliance with these covenants.

During the current year, the Corporation obtained a 364-day committed revolving banking facility which consists of an operating line of credit to a maximum of $15 million that increases by an additional $10 million during the Corporation's peak operating season, from April 1 to November 30. The banking facility bears an interest rate of prime plus 0.50% and is secured by a general security agreement over the assets of Discovery Air Inc., GSHL, ATL and H&L. At January 31, 2008, there was no amount outstanding under this banking facility. There are various covenants, including financial covenants, that the Corporation is required to comply with. The Corporation is in compliance with these covenants.

TAI has a banking facility which consists of an operating line of credit to a maximum of $2.75 million, bearing interest at prime plus 0.50%. This facility is secured by a general security agreement. The general security agreement provides a first charge over accounts receivable and inventory and a floating charge over all other assets subject to permitted encumbrances. At January 31, 2008, there was no amount outstanding under this banking facility.

H&L has available to it a revolving banking facility to a maximum of $1.5 million, bearing interest at prime plus 0.25%, whereby eligible accounts receivables are pledged at face value. The facility is secured by specific government receivables. At January 31, 2008 and January 31, 2007, there were no amounts outstanding under this banking facility.

The Corporation has $33 million of term debt that matures on February 1, 2009. This amount will be classified as a current portion of long-term debt on its balance sheet during fiscal 2009. The Corporation has initiated discussions with various parties regarding the refinancing of this debt.

Contractual Obligations

The following chart outlines the Corporation's contractual obligations as at January 31, 2008:

(thousands of dollars)	Total	1 Year	2 Year	3 Years	4 Years	5 Years & Over
Long-term debt	$ 134,069	$ 10,168	$ 35,103	$ 1,479	$ 28,239	$ 59,080
Operating leases	7,149	2,609	1,413	971	903	1,253
Capital purchase obligations	18,146	15,353	2,793	-	-	-
	$ 159,364	$ 28,130	$ 39,309	$ 2,450	$ 29,142	$ 60,333

Financial instruments

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of the instruments. The carrying amount of long-term debt approximates the fair value. Fair value was determined at the present value of contractual future payments of principal and interest, discounted at the current market rates of interest available to the Corporation for the same or similar debt instruments.

Shareholders' Equity

Shareholders' equity at January 31, 2008, was $201.9 million compared to $156.1 million last year with the increase attributable to the retention of earnings, the issuance of Class A and Class B common shares on the acquisition of DMS and TAI, the exercise of warrants, and the fair value attributable to the warrants issued. At January 31, 2008, the Corporation had 134,519,805 Class A common shares outstanding and 684,354 Class B common shares outstanding compared to 108,526,516 Class A common shares outstanding and nil Class B common shares outstanding at the same time last year. The detail of the 26.0 million increase in Class A common share issued during the most recent 12 month period is as follows: 19.3 million Class A common shares issued as partial consideration for the acquisition of TAI, the issue of 4.3 million Class A common shares issued as partial consideration for the acquisition of DMS, 2.4 million Class A common shares issued on the exercise of warrants, and 20,000 Class A common shares issued on the exercise of options. 684,384 Class B common shares were issued as partial consideration for the acquisition of TAI.

There were 1,178,568 common share purchase warrants outstanding at January 31, 2008. The holders of these warrants are entitled to subscribe for one Class A share for every warrant held at a subscription price of $2.00 per share; these warrants expire in July 2008.

There were 7,113,200 (2007 – 4,020,000) common share options outstanding at January 31, 2008. For the twelve-month period ended January 31, 2008, 3,190,250 (2007 – 1,395,000) common share options were granted, 74,816 (2007 – nil) common share options were forfeited, 2,234 (2007 – nil) stock options were cancelled and 20,000 (2007 – nil) stock options were exercised. For the twelve-month period ended January 31, 2008, salary expense and an addition to contributed surplus of $2.0M (2007 - $998,000) was recorded relating to these options.

On March 27, 2006, the Corporation was continued under the *Canada Business Corporations Act*. At the time of the continuance, its share structure was amended to authorize the issuance of an unlimited number of Class A common voting shares and an unlimited number of Class B common variable voting shares. Each issued and outstanding common voting share as at March 27, 2006, was converted into a Class A common voting share on a one for one basis.

Additional information with respect to share capital is contained in Note 9 of the consolidated financial statements for the period ended January 31, 2008.

Updated Share Information

At April 25, 2008, there were 134,522,805 Class A common shares outstanding and 681,354 Class B common shares outstanding. At the same date, there were 7,494,550 common share options outstanding and 1,178,568 common share purchase warrants outstanding.

Related Party Transactions

At January 31, 2008, the Corporation had long-term debt including accrued interest totalling $20.3 million (2007 - $18.7 million) owing primarily to directors and officers of the Corporation or its subsidiaries and who were former owners of the subsidiaries. For the twelve-month ended January 31, 2008, interest expense on this debt totalled $1.2 million (2007 - $851,000).

Results of operations for the three-month periods ended January 31, 2008 and January 31, 2007

Selected Financial Information

($ thousands, except per share amounts)		for the three months ended January 2008		January 2007
		(unaudited)		(audited)
Results of operations				
Revenue	$	19,673	$	7,114
Operating expenses	$	23,857	$	12,412
EBITDAR*	$	(2,434)	$	(4,326)
EBITDA*	$	(4,184)	$	(5,298)
Net earnings (loss)	$	(4,879)	$	(4,511)
Earnings (loss) per common share:				
Basic	$	(0.04)	$	(0.05)
Diluted	$	(0.04)	$	(0.05)
Total assets	$	376,899	$	279,643
Total long-term debt	$	134,069	$	88,947

* See Non-GAAP measures

The business of the Corporation follows a seasonal pattern with the lowest revenues generally occurring from November to April. The Corporation's revenues for the three-month period ended January 31 are at the lowest point in the seasonal cycle. In addition, repair and maintenance on aircraft are not incurred evenly during the year and the timing of these expenses can vary from year to year. Therefore, the Corporation's results for the quarter are not indicative of the results that may be expected for a full year.

Revenue and Hours Flown

Consolidated

Revenues for the three-month period ended January 31, 2008 totalled $19.7 million compared to $7.1 million for the comparative period last year. Hours flown for the quarter were 8,623 compared to 4,772 hours for the comparative period last year. Revenues generated in the current quarter by TAI, Walsten, DMS and ATL, from the period November 1 to December 18, 2006, would not have been included in the prior year's results. The combined incremental revenues from these companies in the current quarter were $10.7 million which represents 54% of the total revenue generated in the current quarter.

Rotary wing segment

The Corporation's rotary wing segment flew 4,147 hours during the most recent quarter, generating total revenue of $6.3 million compared to 3,286 hours generating revenues of $4.4 million for the same period last year. GSHL's organic growth of 26% in hours flown for the current quarter compared to the prior year is a continuing trend in the current year where GSHL has been able to benefit from their ability to deploy their fleet throughout the year to regions where there is a higher demand for their aircraft. Revenues were 46% higher in the current quarter compared to the comparable period last year due the increased flight hours and also due to pricing and daily minimum hour increases instituted throughout the current year. The impact of the increase in pricing and minimum flight hours resulted in an overall revenue per flight hour rate of $1,519 compared to $1,339 for the same period a year ago.

Fixed wing segment

The Corporation's fixed wing segment flew 4,476 hours generating revenue of $13.3 million during the most recent quarter compared to 1,596 hours and $2.7 million of revenue for the same period last year. The hours flown and revenue for the current quarter reflect the activity of TAI, ATL and Walsten, a division of H&L, for the full quarter, whereas the prior year results only reflect ATL results since it was acquired on December 19, 2006. H&L, excluding its Walsten division, does not fly during the Corporation's fourth quarter. The current quarter yielded a revenue per hour rate of $2,971 compared to $1,691 for the same period a year ago. While ATL was able to increase their year over year rate, the significant increase is largely attributed to TAI's higher revenue per hour rates.

Operating Expenses

Operating expenses were $23.9 million for the three-month period ended January 31, 2008, compared to $12.4 million for the comparable period last year. The results for the three-month period ended January 31, 2007 only reflect the costs associated with the operations of H&L, GSHL, ATL since its acquisition on December 19, 2006, as well as corporate services. The Corporation's scale of operation and business activity has increased significantly from the prior year and the level of costs in the current quarter reflect the incremental operating expenses incurred by Walsten, TAI and DMS, as well as the increased cost of corporate services required to support a much larger scale of business operations. The corporate services group increased its expenses year over year with increased salary, travel and investor relations costs incurred to support the business operations acquired. The corporate support costs, including stock options expenses, related to this quarter was $1.9 million compared to $1.2 million for the same period last year.

In keeping with the Corporation's vision to align the interest of employees and shareholders, the Corporation granted 3.2 million stock options to employees in the current year which resulted in a stock-based compensation expense of $400,000 in the current quarter related to those options granted in the current year. Total stock option expense for the three-month period ended January 31, 2008 was $479,000 for all outstanding options compared to $395,000 for the same period last year.

EBITDA and EBITDAR (see Non-GAAP Measures)

Consolidated

EBITDA loss was $4.2 million for the three-month period ended January 31, 2008, compared to EBITDA loss of $5.3 million for the same period last year. EBITDA loss as a percentage of revenues for the quarter was 21% compared to 74% EBITDA loss as a percentage of revenues for the same period last year. The EBITDA improvement is directly attributable to the operations of ATL, TAI and DMS which were not part of the prior year's results for this quarter.

EBITDAR loss was $2.4 million for the three-month period ended January 31, 2008, compared to EBITDAR loss of $4.3 million for the same period last year. The EBITDAR loss as a percentage of revenues for the quarter was 12% compared to 61% EBITDAR loss as a percentage of revenues for the same period last year. The rental expense was $1.8 million for the current quarter, compared to $1.0 million for the same period last year. This increase is due to the full quarter results of ATL and TAI, as well as increased aircraft rental cost incurred by GSHL to support the increased flight hour demand.

Rotary wing segment

The rotary wing segment had EBITDA loss of $ 3.2 million for the three-month period ended January 31, 2008, compared to EBITDA loss of $3.4 million for the same period last year. The EBITDA loss as a percentage of revenues was 51% for the quarter compared to 77% for the same period last year. The 26% improvement in the EBITDA result was due to the increased revenues of 45% in the current quarter compared to the same period last year. The increased revenue was offset by a 23% increase in operating expenses in the current quarter compared to the same period last year. The rotary segment has increased its staffing significantly to position the segment to meet the current year's increased flight demand as well as future demands.

The rotary wing segment had EBITDAR loss of $2.0 million for the three-month period ended January 31, 2008, compared to EBITDAR loss of $2.5 million for the same period last year. EBITDAR loss as a percentage of revenues was 31% for the quarter compared to 56% for the same period last year. The year over year EBITDAR margin improved by 25% which is consistent with the year over increase EBITDA margin.

Fixed wing segment

The fixed wing segment had EBITDA of $856,000 million for the three-month period ended January 31, 2008, compared to EBITDA loss of $754,000 for the same period last year. EBITDA as a percentage of revenues was 6% for the quarter compared to EBITDA loss as a percentage of revenues of 28% for the same period last year. The increase in EBITDA and EBITDA margin over the prior period was due to the inclusion of the results of ATL, TAI and DMS which all contributed positive EBITDA for the current quarter totalling $1.7 million. The prior year's result reflects H&L in its non-revenue generating quarter and ATL's abbreviated results since its acquisition on December 19, 2006.

The fixed wing segment had EBITDAR of $1.4 million for the three-month period ended January 31, 2008, compared to EBITDAR loss of $703,000 in the same period last year. The EBITDAR as a percentage of revenues was 10% for the quarter compared to EBITDAR loss as a percentage of revenues of 26% for the same period last year. The increase in EBITDAR and EBITDAR margin year over year was a result of increased EBITDA.

Finance Charges

Finance charges were $3.5 million for the three-month period ended January 31, 2008, compared to $1.4 million for the same period last year. The increased finance charges are reflective of the increased debt levels the Corporation has assumed in growing the business through acquisitions and investing in new equipment. The acquisition of TAI's shares was funded in part by a $33.0 million term loan and the assumption of $6.8 million of TAI's existing debt. The current quarter also reflected a full quarter of interest costs related to the convertible debenture that was issued in December 2006 to finance the purchase of ATL. In January 2008, the Corporation arranged a $75.0 million evergreen term loan facility to replace most of the debt held in H&L, GSHL and ATL as well as finance future capital expenditures. At the end of the current year approximately $46.8 million was drawn from this facility to refinance the inherited debt held in the subsidiaries. The refinancing resulted in a non-recurring charge in the current quarter of $151,000 related to pre-payment charges and write off of unamortized deferred charge on extinguished debt.

Amortization Expenses

Amortization of buildings and equipment

Total amortization of building and equipment expense for the current quarter was $1.9 million compared to $1.1 million for the same period last year. The amortization of buildings and equipment has increased due to assets acquired from Walsten, TAI and DMS totalling $50.0 million as well as capital expenditures totalling $28.0 million in the current year.

Amortization of intangible assets

Total amortization of intangible assets expense for the current quarter was $1.2 million compared to $0.4 million for the same period last year. The amortization of intangible assets relates to the periodic expensing of a portion of the purchase price for acquired companies attributable to certain identifiable intangible assets such as the estimated fair market value of customer relationships. The value attributable to customer relationships is amortized over a predetermined period. There was a significant increase in identifiable intangible assets year over year due to the inclusion of intangible assets of ATL and TAI and to a lesser extent, DMS. The portion of the purchase price attributed to customer relationships for ATL, TAI and DMS was $5.2 million, $18.2 million and $1.4 million respectively. The amount attributable to intangible assets that was subject to amortization was considerably higher for TAI than GSHL, ATL and DMS due to the higher value of TAI's customer relationship.

Income Taxes

Income tax recovery was $5.8 million for the three-month period ended January 31, 2008, compared to a $3.6 million recovery for the same period last year. The recovery was higher due to an increase in the net loss incurred by the Corporation as well as a $1.7 million net adjustment to future income in the three-month period ended January 31, 2008. The income tax adjustment was comprised of a $2.6 million favourable adjustment for declining enacted tax rates and a $919,000 expense related to permanent differences. The Corporation's statutory rate for the three month ended January 31, 2008 and the comparable period a year ago approximated 34% with the effective rate slightly in excess of this due to the non-deductibility of certain expenses such as stock-based compensation expense.

The Corporation's statutory income tax rate for the year ending January 31, 2009 is expected to approximate 31%.

RISK FACTORS

If any of the following risks actually materialize, the business, financial condition, liquidity or results of operations of the Corporation could be materially affected. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the operations of the Corporation.

Industry Risk

Seasonality of Business

There is increased demand for the aviation and complementary services of GSHL, ATL, H&L and DMS normally commencing in the spring and continuing through to the end of the summer. TAI revenue generating opportunities are significantly higher in the February to June and September to November time periods. The revenues for TAI are relatively predictable over a twelve month period but can vary greatly from month to month depending on its customer's priorities. Furthermore, the Corporation attempts to perform most major repairs and refurbishment during the slower periods of revenue generating potential. As a result, the operations of the Corporation are subject to seasonal variations. Operating results therefore vary from quarter to quarter and results of one quarter may not be indicative of results that may be achieved for another quarter or the full year.

Industry and Government Regulations

The aircraft industry, both fixed wing and rotary wing, is subject to complex aviation, transportation, environmental, labour, employment and other laws and regulations. These laws and regulations generally require aircraft operators to maintain and comply with a variety of certificates, permits, licenses and other approvals. The ability of GSHL, ATL, TAI and H&L to conduct business is dependent on their ability to maintain these licences and certificates. These operating companies cannot ensure that, for a reasonable cost, they will be able to remain in compliance with all applicable industry standards and regulations applicable to them in the future.

GSHL, ATL, TAI and H&L are routinely audited by Transport Canada to ensure compliance with all flight operation and aircraft maintenance requirements. As of the date hereof, these operating companies are in compliance with all flight operation and aircraft maintenance requirements, however, there can be no assurance that they will pass all audits in the future. Failure to pass such audits could result in fines or grounding of the aircraft which could have a material adverse effect on the Corporation's business, results of operations or financial condition. As well, TAI is subject to regulation by the Department of National Defence as well as Transport Canada.

GSHL, ATL, TAI, H&L and DMS are also subject to certain federal, provincial and local laws and regulations relating to environmental protection, including those governing past or present releases of hazardous materials. Certain of these laws and regulations may impose liability, fines or penalties for the costs of investigation or remediation of such contamination, regardless of fault or the legality of the original disposal. As a result, these operating companies may incur costs to clean up contamination present on, at or under its facilities, even if such contamination was present prior to the commencement of its operations at the facility and was not caused by its activities.

As a commercial air operation, TAI is subject to the same level of regulatory scrutiny as the Corporation's other subsidiaries. However, due to the military nature of TAI's operation, TAI is subject to additional government regulations, such as Canadian controlled goods regulations, United States International Traffic in Arms Regulations, and similar foreign regulations. To date, Top Aces has been in compliance with all such laws and regulations, and has received all necessary permits, however, there can be no guarantee that TAI will receive all necessary permits and be in compliance with all regulations in the future.

In addition, Top Aces is also subject to an additional level of regulatory approval under the Department of National Defence Airworthiness rules. TAI is regularly audited by Department of National Defence Operational and Technical Airworthiness authorities. To date, Top Aces is in compliance with all technical and operational airworthiness requirements, but there can be no guarantee that they will pass all audits in the future.

Competition

GSHL, ATL and DMS face competition from larger national competitors as well as other regional competitors. Some of GSHL's and ATL's customers may also elect to perform their own aviation operations, and in the case of DMS have customers that supply and service their own remote locations. Certain services may also be able to be provided by other types of aircraft not currently operated by GSHL or ATL.

To the knowledge of the Corporation, no other Canadian-based aviation company other than TAI, currently possess the minimum operating requirements and security clearance in order to supply airborne training services to the Department of National Defence. However, there is no assurance that competitors for this service will not arise in the future.

To the knowledge of the Corporation, no other Ontario-based aviation company currently possesses the necessary resources to support the provision of the services provided by H&L. However, future Ontario-based or current or future out-of-province operators may be more suitably equipped to compete against H&L for the provision of these services.

There can be no assurance that GSHL, ATL, TAI, H&L and DMS will be able to compete successfully against their current or future competitors or that such competition will not have a material adverse effect on the Corporation's business, results of operations or financial condition.

Insurance

The operations of GSHL, ATL, TAI and H&L are subject to risks normally inherent in the air services industry in which they operate, including potential liability which could result from, among other circumstances, personal injury or property damage arising from disasters, accidents or incidents involving aircraft operated by these operating companies or their agents. The operating companies may not be able to obtain insurance against all hazards associated with the air services that they provide. The availability of, and the ability to collect on, insurance coverage may be beyond the control of the operating companies. The operating companies cannot guarantee that insurance coverage will be sufficient to cover large claims or losses or that the insurer will be solvent when claims are made. There can be no assurance that the Corporation will be able to obtain insurance at acceptable levels and costs in the future.

The operating companies may become subject to liability for hazards which it cannot or may not elect to insure because of high premium costs or other reasons or for occurrences which exceed maximum coverage under its policies. The occurrence of an aircraft-related accident or mishap involving the operating companies could have a material adverse effect on their business, results of operations or financial condition. If the Corporation is held liable for uninsured hazards, the payment of those liabilities would reduce the potential for expansion, development and marketing of the Corporation. The loss of insurance coverage or the inability to collect on insurance coverage in the event of a loss, expropriation or confiscation of, or severe damage to, a large number of aircraft in the operating companies' fleet could adversely affect the Corporation's business, results of operations or financial condition.

Foreign Currency Risk

The Corporation's revenues are primarily in Canadian dollars. The Corporation is exposed to fluctuations in the Canada/US and Canada/Euro exchange rates due to payment obligations associated with the purchase of aircraft, margin requirements related to its aircraft financing and maintenance expenditures such as spare parts. As a result, a significant change in these exchange rates could have a material adverse effect on the Corporation's business, results of operations or financial condition.

Reliance On A Single Customer

TAI's revenue is derived from Standing Offer Agreements to provide airborne training services to the Department of National Defence. These Standing Offer Agreements currently expire in March 2010. The government is not obligated to call up any TAI services under these Standing Offer Agreements and may cancel these Standing Offer Agreements at their convenience. Due to the essential nature of this military training, management does not believe it likely that these Standing Offer Agreements will be terminated or that there will be any substantial reduction in service required by the Department of National Defence. In addition, TAI is currently the only supplier with approved airworthiness clearances under these Standing Offer Agreements. It is anticipated that these services will be put out for tender via a Request for Proposal to ensure continuation of the airborne training services beyond March 2010.

H&L's revenue from aerial forest fire services is derived from two contracts with the Ontario Government. These contracts expire at the end of the fire season in 2009, with the continuation of each contract for each new fiscal year being conditional upon a sufficient appropriation of funds by the Ontario Government so that payments under the contract may be satisfied. Given the nature of the services being provided, management believes that it is unlikely that the Ontario Government will discontinue appropriation of funds for these contracts. Either contract may be immediately terminated by the government agency by giving notice to H&L upon occurrence of certain events of default including if H&L becomes insolvent or breaches certain specified material terms or conditions of the contract, and may be terminated without cause by giving H&L 30 days prior written notice.

Business Risk

Dependence on the Natural Environment

Weather conditions, which cannot be predicted, can greatly affect the number of flight hours, and therefore could potentially have a material adverse effect on the Corporation's business, results of operations or financial condition.

Replacement and Maintenance of Aircraft

ATL, GSHL, TAI and H&L need aircraft to continue to conduct business as air operators. These companies cannot guarantee that they will be able to purchase aircraft in the future on acceptable terms. As well, the companies may face unexpected repairs to their aircraft that are beyond their control and that adversely affect their business. These companies cannot guarantee that they will be able to obtain equipment or replacement parts on satisfactory terms when required.

Dependence on Third Party Suppliers

The majority of spare parts and aircraft system components of ATL, GSHL, TAI and H&L are purchased from third party suppliers. These suppliers are located throughout Canada, the United States and Europe, and in many cases have established long standing relationships with these operating companies. Contingent suppliers have been identified for a number of parts and components, however, as some items are of a highly specialized nature, they can only be purchased directly from an original equipment manufacturer. The inability of suppliers to provide ATL, GSHL, TAI or H&L with the required parts and systems in a timely manner could result in these operating companies being unable to maintain flight operations at full capacity.

Dependence on Key Personnel

The management teams responsible for the operations of ATL, GSHL, TAI, H&L and DMS are comprised of a number of highly experienced individuals, many of whom have held various operational positions at all levels of the aviation industry and mining exploration support services in the case of DMS. The continued development and success of the Corporation is highly dependent on the skills, talents, and efforts of these individuals. The loss of the services of one or any of these individuals could have an adverse effect on the Corporation's business, results of operations or financial condition.

Dependence on Skilled Personnel

There is significant competition for employees with the skills required to perform the services that ATL, GSHL TAI and H&L offer. Qualified, capable personnel are in great demand and are likely to remain a scarce resource for the foreseeable future. There can be no assurance that ATL, GSHL, TAI and H&L will be successful in attracting a sufficient number of highly skilled employees in the future, or that it will be successful in training, retaining and motivating the employees it is able to attract, and any inability to do so could impair the Corporation's ability to achieve its business objectives.

Labour Relations

None of employees of the Corporation and its subsidiaries are unionized, but the Corporation cannot ensure that it will maintain a non-unionized workforce. If unionization occurs, the potential for labour disputes, such as strikes, may be increased. Any significant disputes could adversely affect the Corporation's business, results of operations or financial condition.

Need for Additional Financing

The Corporation has a $33 million debt obligation that matures on February 1, 2009. As well, the Corporation may require additional financing in the future. The ability of the Corporation to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of GSHL, ATL, TAI, H&L and DMS. There can be no assurance that the Corporation will be successful in its efforts to arrange the refinancing of the maturing debt or additional financing, if needed, on terms satisfactory to the Corporation or at all. Where additional financing is attained by way of issuance of treasury shares, control of the Corporation may change and shareholders may suffer additional dilution to their investment.

Fuel Supply and Costs

Fuel prices are susceptible to political and terrorist events, weather conditions, refinery capacity and other factors that can affect the supply and price of fuel. While the majority of fuel costs are paid for by GSHL's, ATL's, TAI's and H&L's customers, a significant change in the price of fuel or a fuel-supply shortage could have a material adverse effect on the Corporation's business, results of operations or financial condition.

Fixed Costs

The profitability of the Corporation is directly related to demand for its aviation services. Given that a substantial portion of its operating expenses are fixed, a decrease in the Corporation's revenue could result in a disproportionately higher decrease in earnings as a substantial portion of its operating expenses would remain unchanged.

Interest Rates

The Corporation is exposed to financial risk that arises from fluctuations in interest rates and the interest cost associated with its long term debt. The Corporation holds a mix of fixed debt, primarily to finance acquisitions, and variable rate debt on its long term revolving credit facility. Changes in interest rates could cause fluctuations in the Corporation's operating results.

Liquidity

The Corporation requires working capital to fund its seasonal operating activities. Management expects that the Corporation's operating cash flow, along with existing working capital will be sufficient to meet these requirements. The Corporation also has uncommitted operating lines of credit as disclosed in note 7 of the consolidated financial statements for the period ended January 31, 2008, to meet fluctuations in working capital requirements.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the years. Significant items subject to such estimates and assumptions include the carrying amount of land, buildings and equipment, intangibles and goodwill, valuation allowances for receivables, inventories, future income taxes and stock-based compensation. Actual results could differ from those estimates.

The significant accounting policies used in the preparation of the consolidated financial statements are summarized in Note 1 of the consolidated financial statements for the period ended January 31, 2008. Management believes the following critical accounting estimates reflect its more significant judgements used in the preparation of the financial statements.

Inventory

Inventory, consisting of aircraft parts and supplies, is stated at the lower of cost, on a first-in, first-out basis, and replacement cost. The Corporation regularly assesses the level of slow moving and obsolete parts and estimates any provision required based on several factors, including technology factors, the anticipated needs and the passage of time. These estimates could therefore vary materially from actual experience.

Land, buildings and equipment

Land, buildings and equipment are stated at cost and amortized over their expected useful lives. Rotable and overhauled aircraft components that improve or extend the useful life of an aircraft are capitalized and amortized over their life based on the number of hours flown. Maintenance and repair expenditures which do not improve or extend productive life are expensed as incurred under the direct expensing method and as such may vary from one period and one year to another. The recoverability of the book value of aircraft is, in part, dependent on the estimates used in determining the expected period of future benefits over which to amortize the aircraft. This takes into consideration the overhaul and maintenance of the aircraft. In addition, such recoverability is dependent upon market conditions, including demand for certain types of aircraft, and changes in technology arising from the introduction of newer, more efficient aircraft. These estimates could therefore vary from actual experience.

Aircraft overhaul maintenance costs

Aircraft airframes, engines and components are inspected, repaired and overhauled at pre-specified intervals. Overhaul and maintenance costs that extend the useful life of the aircraft are capitalized as incurred and amortized over their useful life based on hours flown.

Impairment of long-lived assets

Long-lived assets, including land, building and equipment and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount in which the carrying amount of the asset exceeds the fair value of the asset.

Revenue recognition

Revenue from providing aviation services is recognized based on the terms of customer contracts that generally provide for revenue on the basis of hours flown at contract rates or fixed monthly charges or a combination of both.

Income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. The Corporation operates in a number of different jurisdictions throughout Canada that have different statutory tax rates. As a result the determination of the future income tax assets and liabililities is also subject to estimates by the Corporation as to any future changes in the proportion of its business derived from the different jurisdictions it operates in. These estimates could therefore vary materially from actual experience.

Stock-based compensation

The Corporation has a stock-based compensation plan which is described in Note 9 to the consolidated financial statements for the period ended January 31, 2008. The Corporation accounts for employee stock options using the fair value method which requires a number of assumptions in the determination of the option value calculated using the Black-Scholes option pricing model.

The Corporation also accounts for grants of warrants to non-employees in accordance with the fair value method.

Recently Issued Standards

Financial instruments – presentation and disclosure

CICA 3862, *Financial Instruments – Disclosure, and* CICA 3863*, Financial Instruments Presentation,* both issued in December 2006 and effective for the Company on February 1, 2008, revise the current standards on financial instrument disclosure and presentation, and place an increased emphasis on disclosures regarding the risks associated with both recognized and unrecognized financial instruments and how these risks are managed. CICA 3863 also establishes standards for presentation of financial instruments and non-financial derivatives and provides additional guidance with classification of financial instruments, from the perspective of the issuer, between liabilities and equity. The Corporation is assessing the impact of this presentation and disclosure standard on its financial statements.

Inventories

In May 2007, the Accounting Standards Board issued Handbook Section 3031, *Inventories*, which supersedes Handbook Section 3030 and is effective February 1, 2008. The standard introduces significant changes to the measurement and disclosure of inventory. The measurement changes include: the elimination of LIFO, the requirement to measure inventories at the lower of cost and net realizable value, the allocation of overhead based on normal capacity, the use of specific cost method for inventories that are not ordinarily interchangeable or goods and services produced for specific purposes, the requirement for an entity to use a consistent cost formula for inventory of a similar nature and use, and the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. Disclosures of inventories have also been enhanced. Inventory policies, carrying amounts, amounts recognized as an expense, write-downs and the reversals of write-downs are required to be disclosed. It was determined that this standard will not have a material impact on these financial statements.

Capital disclosures

CICA 1535, *Capital Disclosures*, issued in December 2006 and effective for the Corporation on February 1, 2008, establishes guidelines for the disclosure of information regarding an entity's capital and how it is managed including enhanced disclosure requirements with respect to the objectives, policies and processes for managing capital. The Corporation is assessing the impact of this disclosure standard on its financial statements.

Non-GAAP Measures

References to "EBITDA" are to earnings before interest, income taxes, depreciation and amortization (except for amortization of rotable and overhauled components which are treated as operating expenses), gain on disposal of land, buildings and equipment, and non-controlling interest. As is common in the industry, the Corporation uses EBITDA as a supplemental financial measure of its operational performance. Reference to "EBITDAR" is EBITDA before aircraft lease cost. Management believes EBITDA and EBITDAR to be an important measure as it excludes the effects of items which primarily reflect the impact of long-term investment decisions rather than the performance of the Corporation's day-to-day operations. Management believes this measurement is useful to measure a company's ability to service debt and to meet other payment obligations or as a valuation measurement.

The following is a reconciliation of EBITDA and EBITDAR to net earnings:

(thousands of dollars)	*for the twelve-month ended* January 31 2008 (unaudited)	January 31 2007 (unaudited)	*for the three-month ended* January 31 2008 (unaudited)	January 31 2007 (unaudited)
Earnings before non-controlling interest	$ 7,787	$ 3,901	$ (4,855)	$ (4,558)
Income taxes	977	848	(5,849)	(3,616)
Financing charges	10,291	2,821	3,473	1,366
Amortization	9,397	3,369	3,047	1,510
EBITDA	$ 28,452	$ 10,939	$ (4,184)	$ (5,298)
Aircraft lease expenses	12,533	6,266	1,750	972
EBITDAR	$ 40,985	$ 17,205	$ (2,434)	$ (4,326)

SEGMENTED INFORMATION

The Corporation has two reportable business segments: rotary wing and fixed wing. These segments are differentiated by the nature of the aircraft used to provide aviation services. The rotary wing segment is represented by helicopter charter services as provided by GSHL and the fixed wing segment is represented by airplane transportation and other services as provided by ATL, TAI, H&L and DMS. Customers serviced by both segments consist of governments and private sector companies in the business of mineral, base and precious metal exploration and production, wildlife services, forest fire suppression, oil and gas exploration, power line construction and maintenance, aerial surveys exploration, tourism and flight training. All other activities that are not allocated to these two business segments are reported under Corporate Support.

(thousands of dollars)	**for the twelve-month ended January 31, 2008**				**for the three-month ended January 31, 2008**			
	Rotary Wing	**Fixed Wing**	**Corporate Support**	**Total**	**Rotary Wing**	**Fixed Wing**	**Corporate Support**	**Total**
Revenue	**$ 67,426**	**$ 53,379**	**$ 131**	**$ 120,936**	**$ 6,328**	**$ 13,313**	**$ 32**	**$ 19,673**
Operating expenses	46,930	39,750	5,804	92,484	9,540	12,457	1,860	23,857
Amortization expense	3,886	5,474	37	9,397	1,085	1,946	16	3,047
Earnings (loss) from operations before undernoted items	16,610	8,155	(5,710)	19,055	(4,297)	(1,090)	(1,844)	(7,231)
Financing costs				10,291				3,473
Income taxes				977				(5,849)
Minority interest				288				24
Net earnings (loss)				**7,499**				**(4,879)**
Total assets	**$ 170,756**	**$ 206,014**	**$ 129**	**$ 376,899**	**$ 170,756**	**$ 206,014**	**$ 129**	**$ 376,899**

(thousands of dollars)	for the twelve-month ended January 31, 2007				for the three-month ended January 31, 2007			
	Rotary Wing	**Fixed Wing**	**Corporate Support**	**Total**	**Rotary Wing**	**Fixed Wing**	**Corporate Support**	**Total**
Revenue	**$ 38,901**	**$ 8,484**	**$ 57**	**$ 47,442**	**$ 4,368**	**$ 2,718**	**$ 28**	**$ 7,114**
Operating expenses	26,948	6,605	2,950	36,503	7,748	3,472	1,192	12,412
Amortization	2,624	745	-	3,369	1,069	441	-	1,510
Earnings (loss) from operations before undernoted items	9,329	1,134	(2,893)	7,570	(4,449)	(1,195)	(1,164)	(6,808)
Financing costs				2,821				1,366
Income taxes				848				(3,616)
Minority interest				185				(47)
Net earnings (loss)				**3,716**				**(4,511)**
Total assets	**$ 164,892**	**$ 108,162**	**$ 6,589**	**$ 279,643**	**$ 164,892**	**$ 108,162**	**$ 6,589**	**$ 279,643**

Segmented breakdown of EBITDA and EBITDAR

(thousands of dollars)	*for the twelve-month ended January 31, 2008*				*for the three-month ended January 31, 2008*			
	Rotary Wing	Fixed Wing	Corporate Support	Total	Rotary Wing	Fixed Wing	Corporate Support	Total
Revenue	$ 67,426	$ 53,379	$ 131	$ 120,936	$ 6,328	$ 13,313	$ 32	$ 19,673
Operating expenses	46,930	39,750	5,804	92,484	9,540	12,457	1,860	23,857
EBITDA	**$ 20,496**	**$ 13,629**	**$ (5,673)**	**$ 28,452**	**$ (3,212)**	**$ 856**	**$ (1,828)**	**$ (4,184)**
Aircraft lease expenses	11,405	1,128	-	12,533	1,238	512	-	1,750
EBITDAR	**$ 31,901**	**$ 14,757**	**$ (5,673)**	**$ 40,985**	**$ (1,974)**	**$ 1,368**	**$ (1,828)**	**$ (2,434)**

(thousands of dollars)	*for the twelve-month ended January 31, 2007*				*for the three-month ended January 31, 2007*			
	Rotary Wing	Fixed Wing	Corporate Support	Total	Rotary Wing	Fixed Wing	Corporate Support	Total
Revenue	$ 38,901	$ 8,484	$ 57	$ 47,442	$ 4,368	$ 2,718	$ 28	$ 7,114
Operating expenses	26,948	6,605	2,950	36,503	7,748	3,472	1,192	12,412
EBITDA	**$ 11,953**	**$ 1,879**	**$ (2,893)**	**$ 10,939**	**$ (3,380)**	**$ (754)**	**$ (1,164)**	**$ (5,298)**
Aircraft lease expenses	6,215	51	-	6,266	921	51	-	972
EBITDAR	**$ 18,168**	**$ 1,930**	**$ (2,893)**	**$ 17,205**	**$ (2,459)**	**$ (703)**	**$ (1,164)**	**$ (4,326)**

SUMMARY OF QUARTERLY RESULTS

(thousands of dollars except per share amounts)	2008				2007*	2006		
	Q4 Jan 31	Q3 Oct 31	Q2 Jul 31	Q1 Apr 30	Q1 Jan 31	Q4 Oct 31	Q3 Jul 31	Q2 Apr 30
Results of operations:								
Total revenue	$ 19,673	$ 41,612	$ 43,583	$ 16,067	$ 7,114	$ 22,133	$ 18,111	$ 84
Operating expenses	23,857	26,900	24,855	16,872	12,412	13,372	10,110	609
EBITDA	(4,184)	14,712	18,728	(805)	(5,298)	8,761	8,001	(525)
Amortization	3,047	2,590	1,432	2,328	1,510	1,326	493	40
Financing costs	3,473	2,771	2,127	1,919	1,366	929	423	103
Income (loss) before income taxes and non-controlling interest	(10,704)	9,351	15,169	(5,052)	(8,174)	6,506	7,085	(668)
Income tax provision (recovery)	(5,849)	3,327	4,965	(1,466)	(3,616)	2,041	2,643	(220)
Non-controlling interest	24	122	147	(5)	(47)	200	32	-
Net earnings (loss)	$ (4,879)	$ 5,902	$ 10,057	$ (3,581)	$ (4,511)	$ 4,265	$ 4,410	$ (448)
Earnings per share								
-basic	$ (0.04)	$ 0.05	$ 0.09	$ (0.03)	$ (0.05)	$ 0.05	$ 0.08	$ (0.02)
-diluted	$ (0.04)	$ 0.05	$ 0.09	$ (0.03)	$ (0.05)	$ 0.05	$ 0.07	$ (0.02)

* The Corporation changed its year end from October 31 to January 31

The business of the Corporation follows a seasonal pattern with the lowest revenues occurring from November to April. Therefore, the Corporation's results vary from quarter to quarter and results for an interim period are not necessarily indicative of the results that may be expected for a full year.

OUTLOOK FOR FISCAL 2009

The year ended January 31, 2009 will represent the first full twelve months of continuous operating results for the Corporation and all of its current subsidiaries. Based on the outlook and underlying assumptions for the operating performance of its subsidiaries and for other expenses estimated by the Corporation and assuming normalized weather and operating conditions, the Corporation estimates consolidated revenues of approximately $165.0 million for the year ended January 31. 2009. It estimates that 18% of these revenues will be booked in the first quarter, 37% in the second quarter, 31% in the third quarter, and 14% in the fourth quarter of the fiscal year. The Corporation estimates that it will earn an annual consolidated EBITDA margin of 30%. The actual EBITDA margin will fluctuate from quarter to quarter due to the high level of fixed costs that are a component of the Corporation's operating costs. The ability of the Corporation to achieve these estimates could be affected by the risk factors highlighted earlier in this report.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS

The Corporation's Chief Executive Officer and Chief Financial Officer have assessed the effectiveness of the disclosure procedures and controls used for the consolidated financial statements and Management's Discussion and Analysis as at January 31, 2008. Their assessment led them to conclude that these disclosure procedures and controls are adequate and effective to ensure that material information relating to the Corporation and its subsidiaries would have been known to them.

The Chief Executive Officer and the Chief Financial Officer are responsible for designing internal control over financial reporting (ICFR), or causing them to be designed under their supervision to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles. The Corporation's Chief Executive Officer and Chief Financial Officer have evaluated the design of the Corporation's ICFR as at January 31, 2008 and believe the design to be sufficient to provide such reasonable assurance. The Corporation acquired DMS on January 4, 2008 and the financial statements for the twelve-month period ended January 31, 2008 include the results of from these operations since their acquisition. Changes are currently being made to the entity's controls over financial reporting to conform to the existing policies of the Corporation. There were no other changes in the Corporation's ICFR during the most recent interim period that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

Additional information relating to the Corporation, including the Corporation Annual Information Form can be found on SEDAR at www.sedar.com.

Dated: April 25, 2008

FORWARD-LOOKING STATEMENTS

The statements in this management's discussion and analysis which relate to the future are forward-looking statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, our ability to secure operating contracts; the strength of the Canadian economy in general and the strength of the local economies within Canada in which we conduct operations; the effects of changes in interest rates; the effects of competition in the markets in which we operate; inflation; capital market fluctuations; the impact of changes in the laws and regulations regulating aviation services; changes in tax laws; technological changes; unexpected judicial or regulatory proceedings; weather conditions in the geographical regions in which we operate; and our anticipation of and success in managing the risks implicated by the foregoing.

The foregoing list of important factors is not exhaustive. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. There is no undertaking to update any forward-looking statement that is contained in this management's discussion and analysis or made from time to time by the Corporation.