

VVT MED INC.
(FORMERLY KNOWN AS DXI CAPITAL CORP.)

Management's Discussion and Analysis

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

Forward-Looking Information

Certain statements and information contained in this MD&A may constitute forward-looking information under applicable securities laws. Such forward-looking information is used in this MD&A for the purpose of providing information about management's current expectations and plans relating to the future development of the Company's business. All statements and information other than statements of historical fact or historical information may be forward-looking information. Readers are cautioned that reliance on such forward-looking information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "expect", "intend", "estimate", "will", "anticipated", "possible", "potential" or similar words, including negatives thereof, suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to, statements or information with respect to: The Company's strategies and objectives, both generally and in respect of its existing business and planned businesses; as of the date of this MD&A.

The forward-looking information is based on a number of factors, expectations and assumptions which have been used to develop such information, and which may prove to be incorrect. Such material factors, expectations and assumptions include, but are not limited to: the ability of the Company to successfully implement its strategic plans and initiatives and whether such strategic plans and initiatives will yield the expected benefits; the receipt by the Company of necessary licenses, permits and authorizations from regulatory authorities, and the timing thereof; applicable tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; assumptions of costs associated with business plans; consistency of laws and regulation relating to the retail cannabis industry; the timely receipt of any required regulatory approvals for the business plans and the ability to obtain financing on acceptable terms when and if needed. Although the Company believes that the factors, expectations and assumptions on which the forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurances that they will prove to be correct.

Since forward-looking information addresses future events and conditions, by its very nature it involves inherent known and unknown risks and uncertainties which are beyond the control of the Company. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These factors and risks include, without limitation:; the risk that the Offering does not close as anticipated or at all; the impact of general economic conditions; changes in industry conditions; changes in laws and regulations and changes in how they are interpreted and enforced; increased competition; the lack of availability of qualified personnel or management; the ability of the Company to effectively manage its growth and operations;; the ability to capitalize on changes to the marketplace; and the factors and risks identified under the "*Risk Factors*" section of this MD&A. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom.

The forward-looking information included in this MD&A is made as of the date hereof and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, except as required by applicable law.

Introduction

This following Management's Discussion and Analysis (this "**MD&A**") of the financial results of VVT MED INC. (formerly known as DXI Capital Corp.) ("**VVT Med Inc.**" or the "**Company**") should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2025 and 2024 (the "**Financial Statements**") and the audited financial statements of the Company for the years ended December 31, 2024 and 2023. The Financial Statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (IASB). Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section.

The information in this MD&A is current as of August 29, 2025, unless otherwise noted and the Financial Statements were approved for filing by the board of directors on August 29, 2025.

Overview

VVT Med Inc. is a public company trading on the NEX under the symbol of "DXI.H", operated by the TSX Venture Exchange ("**TSXV**" or the "**Exchange**") in Canada, as of June 30, 2025. As of July 22, 2025, the Company re-commenced trading in the TSXV following the Transaction (as described below).

The registered head office of the Company is located at 404 – 999 Canada Place, Vancouver, British Columbia, V6C 3E2, and its registered and records office is located at 3200, 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7. As of June 30, 2025, the Company has no active operations.

During the quarter ended June 30, 2025, the Company's management and board of directors were actively seeking new business transaction that can provide mutually beneficial opportunities to capitalize on the Company's public listing, network of shareholders, business and financing contacts, and available capital and operating loss carryforwards.

On October 1, 2024, the Company entered into a definitive agreement dated September 30, 2024 (the "**Definitive Agreement**") (following a previously announcement on November 24, 2023) with the following parties:

- i. V.V.T. MED LTD ("**VVT**"), an Israeli-based private company manufacturing and developing medical products
- ii. Exiteam Acquisition Corp. ("**EAC**"), a Canadian-based corporation incorporated under the laws of the Province of British Columbia. EAC's main activity is raising funds from investors in order to acquire VVT and going public on a Canadian exchange.
- iii. 1502987 B.C. Ltd. ("**DXI Subco**"), a wholly-owned subsidiary of the Company.

Under the terms of the Definitive Agreement, the Company has agreed to acquire all of the issued and outstanding shares in the capital of VVT (the "**VVT Shares**") and EAC (the "**EAC Shares**"), as well as all other issued securities of VVT and EAC (the "**Proposed Transaction**"). The Proposed Transaction is expected to enable the Company to meet the initial listing requirements of the TSXV for the reactivation of the Company. Following the completion of the Proposed Transaction, the Company (the "**Resulting Issuer**") will continue the business of VVT, being a new medical treatment for varicose veins and will be listed on the TSXV under the life sciences sector. Pursuant to the terms of the Definitive Agreement, (i) DXI Subco and EAC will amalgamate to form an amalgamated entity under the Business Corporations Act (British Columbia), and (ii) the Company and each of the securityholders of VVT will enter into securities exchange agreements.

As consideration for the completion of the Proposed Transaction, and subject to customary adjustments, including a proposed 4.67 to 1 share consolidation (the "**DXI Consolidation**") of the issued and outstanding common shares of the Company (the "**Resulting Issuer Shares**"), holders of EAC Shares will receive one (1) Resulting Issuer Share for each EAC Share (the "**EAC Exchange Ratio**"). Any outstanding warrants or other exchangeable or convertible securities of EAC will be exchanged, on an equivalent basis, for securities of the Resulting Issuer.

In addition, as consideration for the completion of the Proposed Transaction, and subject to customary adjustments, pursuant to the securities exchange agreements, each VVT Share will be exchanged for Resulting Issuer Shares on the basis of the VVT Exchange Ratio, as defined below.

Overview (Cont.)

Based on the halt price of the Company's common shares on November 24, 2023, the effective transaction price for the acquisition of VVT and EAC will be CAD\$0.56 per Resulting Issuer Share issued (the "**Transaction Price**").

"**VVT Exchange Ratio**" means (i) 32,500,000, divided by (ii) the total number of VVT Shares outstanding immediately prior to the closing date of the Proposed Transaction (including, without limitation, VVT Shares issued upon the exercise or conversion of VVT stock options and VVT preferred shares), less the total number of VVT Shares issued pursuant to the conversion of the VVT convertible bonds (including the conversion of the principal thereof and any interest due and payable thereon). As a pre-condition of closing the Proposed Transaction, the Company will settle unsecured indebtedness owed to certain of its principal shareholders in the current aggregate sum of CAD\$1,150,000, including accrued interest, immediately prior to or concurrent with the completion of the Proposed Transaction, which will be settled for Resulting Issuer Shares at CAD\$0.56 per share (the "**Concurrent Debt Settlement**"). The completion of the Proposed Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to: (i) receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents; (ii) the absence of any material change or a change in a material fact or a new material fact affecting the Company, DXI Subco, EAC or VVT; (iii) the Resulting Issuer Shares, and all securities convertible into or exchangeable for Resulting Issuer Shares shall have been conditionally approved for listing on the Exchange; (iv) completion of the Concurrent EAC Financing for minimum gross proceeds of CAD\$4,500,000; and (v) the DXI Consolidation and the Concurrent Debt Settlement shall have been completed. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Significant developments for the six months ended June 30, 2025 and to the date of this report

On March 24, 2025, the Company, VVT and EAC, received conditional acceptance from the TSXV for the Proposed Transaction. Final approval by the Exchange is subject to the Company satisfying various conditions including submission of final documentation, regulatory approvals, and completion of financing arrangements.

On May 21, 2025, the Company, VVT and EAC has filed a filing statement, dated effective May 15, 2025, with the Exchange in connection with its previously announced reverse take-over transaction (the "**RTO**") (the "**Filing Statement**"). The Filing Statement contains complete information regarding the RTO.

On July 16, 2025, DXI had changed its name (the "**Name Change**") to "VVT MED INC." - the Resulting Issuer.

On July 22, 2025, the Company has completed its previously announced acquisition of all of the outstanding securities of VVT and EAC pursuant to the terms of a definitive agreement dated September 30, 2024. In connection with the completion of the Transaction, the Exchange conditionally approved the listing of the VVT Med Inc. common shares under the new ticker symbol "VVTM". The Transaction constituted a reverse takeover of the Company by VVT pursuant to Policy 5.2 of the TSXV. The Transaction was completed according to the terms of a definitive agreement dated September 30, 2024 pursuant to which (i) the Company acquired all of the issued and outstanding securities of EAC by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Company under the laws of the Province of British Columbia; and (ii) the Company acquired all of the issued and outstanding securities of VVT pursuant to a share exchange agreement entered into among the Company and each of VVT's securityholders.

As consideration, each VVT Share was exchanged for Company Shares on the basis of the exchange ratio for the VVT Shares set out in the Definitive Agreement. Each EAC Share was exchanged for one VVT Med Inc. Share. Any outstanding warrants or other exchangeable or convertible securities of EAC and VVT were exchanged, on an equivalent basis, for securities of VVT Med Inc.

Pursuant to the Transaction: (i) 2,053,571 VVT Med Inc. Shares were issued to creditors of the VVT Med Inc. in settlement of \$1,150,000 of debt, at a deemed price of CAD\$0.56 per VVT Med Inc. Share; (ii) 14,068,876 VVT Med Inc. Shares were issued in exchange for the outstanding EAC Shares (including 6,955,498 VVT Med Inc. Shares issued to holders of EAC subscription receipts); and (iii) 47,626,693 VVT Med Inc. Shares were issued to holders of the VVT Shares (including those issued upon conversion of the outstanding VVT convertible debentures).

Significant developments for the six months ended June 30, 2025 and to the date of this report (Cont.)

Additionally, VVT Med Inc. has the following convertible securities issued and outstanding following the closing of the Transaction: (i) 1,553,651 stock options to purchase VVT Med Inc. Shares; (ii) 23,199,131 common share purchase warrants to purchase VVT Med Inc. Shares; and (iii) 299,915 broker warrants to purchase VVT Med Inc. Shares.

Following the Transaction, there are 66,311,431 VVT Med Inc. Shares issued and outstanding. For further details regarding the capitalization of the Company and VVT Med Inc., please see the Filing Statement.

On July 31, 2025, at market open, the Company Shares commenced trading on the TSX Venture Exchange under the symbol "VVTM".

Critical Accounting Estimates and Judgments

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates and judgments on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimates that differ materially from current estimates. Significant judgments, estimates and assumptions made by management in the Financial Statements are outlined in note 4 of the December 31, 2024 annual financial statements. There have been no significant changes in the Company's critical accounting estimates and judgments applied during the six months ended June 30, 2025 relative to the most recent annual financial statements as at and for the years ended December 31, 2024 and 2023.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has designed disclosure controls and procedures ("DCP") to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. During the financial year end of the Company, the appropriate officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures and have concluded that the Company's disclosure controls and procedures are effective as of June 30, 2025.

The Company has designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the financial year end of the Company, the appropriate officers have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal controls over financial reporting and concluded that the Company's internal controls over financial reporting are effective as of December 31, 2024. The Company is required to disclose herein any change in the Company's ICFR that occurred during the recent fiscal period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

No material changes in the Company's DCP and its ICFR were identified during the six months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Whistleblower Policy

Effective December 28, 2007, the Company's Audit Committee adopted resolutions that authorized the establishment of procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees and consultants who have concerns regarding questionable accounting or auditing matters. The implementation of the whistleblower policy is in accordance with the new requirements pursuant to Multilateral Instrument 52-110 Audit Committees, national Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

Selected Annual Information

The following table provides a brief summary of the Company's financial information for each of the three most recently completed financial years. For more detailed information, please refer to the Financial Statements of the Company for the years ended December 31, 2024, 2023 and 2022:

<i>(CAD\$ thousands, except per unit amounts)</i>	Years ended December 31		
	2024	2023	2022
Net loss	(158)	(184)	(138)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)
Total assets	985.00	34.00	23.00

Summary of Quarterly Results

The following table sets out certain unaudited selected financial information for the eight most recently completed quarters:

<i>(CAD\$ thousands, except per unit amounts)</i>	Three months ended							
	30/06/2025	31/03/2025	31/12/2024	30/09/2024	30/06/2024	31/03/2024	31/12/2023	30/09/2023
Loss for the period	(75)	(38)	(44)	(39)	(37)	(36)	(54)	(61)
Basic loss per share	(0.006)	(0.003)	(0.004)	(0.003)	(0.003)	(0.003)	(0.005)	(0.005)
Diluted loss per share	(0.006)	(0.003)	(0.004)	(0.003)	(0.003)	(0.003)	(0.005)	(0.005)

Results of Operations

Quarter ended June 30, 2025 and 2024

During the three months ended June 30, 2025, the Company incurred a net loss of \$75 compared to \$37 during the comparative period in 2024. The loss was attributed to ongoing public company filings, legal and consulting fees associated with supporting the proposed transaction with VVT potential acquisitions. The net loss was higher compared to the prior period due to audit fees and legal fees associated with the proposed transaction with VVT.

As of June 30, 2025, the Company has no active operations and management, and the board of directors are actively pursuing new business transaction opportunities.

Six months ended June 30, 2025 and 2024

During the six months ended June 30, 2025, the Company incurred a net loss of \$113 compared to \$73 during the comparative period in 2023. The loss was attributed to ongoing public company filings, legal and consulting fees associated with supporting the proposed transaction with VVT potential acquisitions. The net loss was higher compared to the prior period due to audit fees and legal fees associated with the proposed transaction with VVT.

Liquidity and Capital Resources

The Company manages its capital structure to support current and future business plans and periodically adjusts the structure in response to changes in economic conditions and the risk characteristics of its underlying assets and operations. The Company may adjust its capital structure by issuing shares, altering debt levels, acquiring or disposing of assets or participating in joint ventures.

In order to fund future operations or activities, the Company will need to raise additional funds by way of equity or debt. However, there is no assurance that the Company will be able to raise such funds on terms acceptable to it.

Going Concern

The Financial Statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss of \$75 during the three months ended June 30, 2025 and as of that date has a working capital deficiency of \$1,229 and an accumulated deficit of \$127,336.

The Company's ability to continue as a going concern is dependent upon attaining profitable operations and sourcing additional equity and debt capital from financiers, other than the present non-arm's length lenders to the Company, to provide the Company with sufficient capital to fund future operations or activities. There is no assurance that future operations or activities will be successful. These material uncertainties cast substantial doubt upon the Company's ability to continue as a going concern. The Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used that would be necessary if the going concern assumptions were not appropriate.

Sources of Financing

On May 21, 2020, the Company entered into a loan agreement with two major shareholders, Hodgkinson Equities Corporation ("HEC") and Hodgkinson Ventures Inc. ("HVI"), for the loan amount of \$150,000. The loan bears interest at 8% per annum.

On June 17, 2020, the Company further entered into a loan agreement with HEC for an additional loan amount of up to \$100,000. The loan bears interest at 8% per annum.

On October 19, 2020, the Company further entered into a loan agreement with HVI for an additional loan amount of up to \$50,000. The loan bears interest at 8% per annum.

On December 22, 2020, the Company further entered into a loan agreement with HEC for an additional loan amount of up to \$75,000. The loan bears interest at 8% per annum.

On March 12, 2021, the Company further entered into a loan agreement with HEC for an additional loan amount of up to \$25,000. The loan bears interest at 8% per annum.

On March 26, 2021, the Company further entered into a loan agreement with HEC for an additional loan amount of up to \$50,000. The loan bears interest at 8% per annum.

On October 1, 2021, the Company further entered into a loan agreement with both HEC and HVI, each for \$20,000. The loans bear interest at 8% per annum.

On February 8, 2022, the Company further entered into a loan agreement with both HEC and HVI, each for \$20,000. The loans bear interest at 8% per annum.

On May 4, 2022, the Company further entered into a loan agreement with both HEC and HVI, each for \$22,500. The loans bear interest at 8% per annum. In addition, the term of the total loans outstanding with HEC and HVI totaling \$600,000 were extended until December 31, 2022.

On October 18, 2022, the Company entered into another loan agreement with HEC and HVI for a total of \$27,000. The loans bear interest at 8% per annum.

On April 28, 2023, the Company entered into another loan agreement with HEC and HVI for a total of \$30,000. The loans bear interest at 8% per annum.

On August 3, 2023, the Company entered into another loan agreement with HEC and HVI for a total of \$30,000. The loans bear interest at 8% per annum.

On December 14, 2023, the Company entered into another loan agreement with HEC and HVI for a total of \$40,000. The loans bear interest at 8% per annum.

On December 14, 2023, the Company entered into another loan agreement with HEC and HVI for a total of \$40,000. The loans bear interest at 8% per annum

On April 8, 2024, the Company entered into another loan agreement with HEC and HVI for a total of \$40,000. The loans bear interest at 8% per annum.

Sources of Financing (Cont.)

On June 26, 2024, the Company entered into another loan agreement with HEC and HVI for a total of \$20,000. The loans bear interest at 8% per annum.

On October 17, 2024, the Company entered into another loan agreement with HEC and HVI for a total of \$20,000. The loans bear interest at 8% per annum and are due on demand.

On November 7, 2024, the Company entered into another loan agreement with HEC and HVI for a total of \$20,000. The loans bear interest at 8% per annum and are due on demand.

On March 10, 2025, the Company entered into another loan agreement with HEC and HVI for a total of \$30,000. The loans bear interest at 8% per annum and are due on demand.

The aggregate sum of the principal loan amount is \$830 (December 31, 2024 - \$800) and accrued interest of \$232 (December 31, 2024 - \$203) at June 30, 2024 on the loans. The loans bear interest at 8% per year and are repayable on demand.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments

As of the date of this MD&A, the Company does not have any commitments not disclosed and accounted for in the Financial Statements.

Related Parties

Other Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Company has transactions with key management personnel, as summarized below.

Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties.

Key Management

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the board of directors, and executive officers. Compensation of key management personnel may include short-term and long-term benefits. Short-term benefits include salaries and consulting fees, while long-term benefits include stock options.

During the three and six months ended June 30, 2025 and 2024, in addition to the loans from related parties (note 4), the Company entered into the following transactions with related parties:

a) Compensation awarded to key management included a total of salaries and director and management fees for the six months ended June 30, 2025 was \$4 (2024 - \$3) and non-cash stock-based compensation of \$nil (2024 - \$nil). Key management includes the Company's officers and directors. The salaries and director fees are included in general and administrative expenses. Included in accounts payable and accrued liabilities at June 30, 2025 is \$100 (December 31, 2024 - \$105) owing to the officers and directors of the Company.

b) Interest expenses of \$32 (2024 - \$16) were incurred during the six months ended June 30, 2025 related to loans from related parties.

Outstanding Share Data And Fully Diluted Share Data

The Company is authorized to issue an unlimited number of common voting shares, an unlimited number of first preferred shares issuable in series, and an unlimited number of second preferred shares issuable in series. No preferred shares have been issued and the terms of preferred shares have not been defined. As of June 30, 2025 and as of the date of this MD&A, the Company had 11,966,024 common shares issued and outstanding, no preferred shares issued and outstanding and no options or warrants issued or outstanding.

Financial Instruments and Risk Management

Fair Values

On June 30, 2025, the Company's financial instruments consist of cash and cash equivalents, other receivables, other payables and accruals. The fair values of cash, receivable, and payable items approximate their carrying values due to the relatively short-term maturity of these instruments.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the periods ended June 30, 2025 and 2024, there were no transfers of amounts between levels.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash.

The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the year.

Market Risk

The Company's business and results of operations are subject to a number of risks and uncertainties, including but not limited to the following:

Exploration, development, production and marketing of oil and natural gas involves a wide variety of risks which include but are not limited to the uncertainty of finding oil and gas in commercial quantities, securing markets for existing reserves, commodity price fluctuations, exchange and interest rate exposure and changes to government regulations. Changes in government regulation further include risks relating to prices, taxes, royalties and environmental protection. The oil and gas industry is intensely competitive and the Company competes with a large number of companies with greater resources.

The Company currently does not generate revenues from its operations and is evaluating potential opportunities and prospects, which would expose the Company to different business risks than if it continued in the oil and gas industry.

The Company's ability to acquire new prospects will require that sufficient capital from outside sources will be available to the Company in a timely manner. Several factors affect the availability of equity or debt financing, many that are beyond the control of the Company.