STANS ENERGY CORP.

8 King St. East, Suite 205, Toronto, ON, M5C 1B5
Tel: 647 426 1865 Fax 647 426 1869
info@stansenergy.com

FORM 51-102
ANNUAL MANAGEMENT'S DISCUSSION & ANALYSIS

Management has compiled the annual financial statements of Stans Energy Corp. ("Stans" or the "Company") consisting of the Consolidated Balance Sheet as at December 31, 2011 and the Consolidated Statement of Loss and Comprehensive Loss, Statement of Shareholder' Equity, and Cash Flows for the year then ended. The Company's auditor has audited the consolidated financial statements for the year ended December 31, 2011. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. This discussion and analysis was prepared by management with information available as at April 30, 2012. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.

As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). A discussion of IFRS and its impact on the Company's financial presentation is presented in this report in the Change in Accounting Policies section.

Where we say "we", "us", "our", or the "Company" we mean Stans Energy Corp. ("Stans") and its subsidiary unless otherwise indicated.

Forward-looking statements

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.
Forward-looking statements relate to future events or future performance and reflect management the Company's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Accordingly, readers should not place undue reliance on forward looking statements.

Report Date

This management discussion and analysis is dated April 30, 2012 and is in respect of the year ended December 31, 2011 and should be read in conjunction with the audited consolidated financial statements for the year then ended.

Background

Stans was incorporated on September 26, 2005 under the laws of the Province of Ontario. The Company is engaged in the business of the acquisition and development of mineral deposits such as uranium, molybdenum, vanadium, beryllium, lithium and rare earth metals in the Kyrgyz Republic. Stans owns two operating subsidiaries, Stans Energy KG LLC, ("Stans KG") and Kutisay Mining Corp. ("Kutisay"), each of which are registered with the Ministry of Justice of the Kyrgyz Republic. Kutisay is 100% owned by Stans KG; and SevAmRus CJSC ("SevAmRus), a 99 % owned subsidiary incorporated under the laws of the Russian Federation.

Stans' common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol HRE.

Stans' common share are also listed on the OTCQX market under the symbol HREEF.

The head office, principal address and records office of the Company are located at 8 King St. East, Suite 205, Toronto, Ontario, M5C 1B5.

Currently Stans is focused on the exploration and development of its mineral projects and as such it has no sources of operating revenue and continues to operate at a loss. Operating losses are expected to continue until such time as revenue generation from operating activities commences at commercial levels.

Mineral Properties

Licenses to the exploration rights in the Kyrgyz Republic as of December 31, 2011:

- Kyzyluraan
- Aktyuz

Mining licenses in the Kyrgyz Republic as of December 31, 2011:

- Kutessay II
- Kalesay

(a) Kutessay II and Kalesay mining licence

On December 29, 2009, the Company acquired a mining license for the formerly producing REE mine, Kutessay II, in Kyrgyzstan. The Company acquired 100% of the Kutessay II and Kalesay beryllium deposits by acquiring 100% of Kutisay Mining Corp. ("Kutisay") on the Central Asian Stock Exchange for USD$863,550 (CAD $898,524). The only assets owned by Kutisay were licenses. There were no known other assets or liabilities. Thus, the purchase price of USD $863,550 (CAD $898,524) was allocated to mineral properties as USD$828,447 (CAD$861,999) to Kutessay II and mineral property and USD$35,103 (CAD$36,525) to Kalesay. The Company also paid $26,359 in legal fees, the amount of which was proportionally allocated between the two licenses.

During 2010, the Kyrgyz Republic Ministry of Natural Resources (MNR), reviewed and reissued mining licences for the Kutessay II and Kalesay deposits, previously purchased by Stans Energy Corp. via auction from the public company, Kutisay Mining. The details of these licences are as follows:

Stans Energy owns a 20-year mining licence for both Kutessay II and Kalesay with the expiry date December 21, 2029. Within these licences, the Kyrgyz Republic MNR is to review each project's progress at defined interim stages regulated by the each respective licensing agreement. In September 2010, the MNR issued the licensing agreement No. 2, the title of the review period for Kutessay II and Kalesay, to December 2011 - a period chosen by the council to allow Stans the necessary time to complete a feasibility study for Kutessay II, and develop a better understanding of the region's mining potential.

As of December 2011, Stans Energy has submitted all documentation to the Kyrgyz Government. Due to a 100 day government re-organization period, Stans Energy is still awaiting a decision as the documentation is still under review.

Technical report

In March, 2010, Stans retained Kazakhstan Mineral Company (KMC) to prepare an independent technical report including an Australian Joint Ore Reserves Committee-(JORC)-compliant mineral resource estimate for the rare earth oxides (REOs) remaining below the Kutessay II open pit mine, Kemin district, Kyrgyzstan.

The technical report was completed by conducting an underground channel sampling program, which confirmed the accuracy of historical sample data, comprising 5,552 channel and core samples, each measuring 1.5 metres in length. The report was authored by the qualified person Vladimir V. Danilov, a member of the Australian Institute of Geoscientists. The JORC-compliant estimate reports a combined measured and indicated mineral resource of 42,980 metric tonnes (mt) RE2O3, at an average grade of 0.264 per cent, plus an additional inferred mineral resource of 3,560 mt RE2O3, at an average grade of 0.204 per cent. The resource remains open to depth below previously explored levels. The mineral resource estimate does not include stockpiled mineralized material from historic mining operations. The Kutessay II mineral resources are summarized in the associated table.

Volume	Metric tonnes	Grade (sum)TRE2O3	Contained (sum)TRE2O3	Resource classification
1000 m[3]	1000 mt	%	mt	
		NORTHERN DEPOSIT		
393.6	1,088	0.390	4,240	Measured
61.6	170	0.372	630	Indicated
455.1	1,258	0.387	4,870	Measured + indicated
7.9	22	0.586	130	Inferred
		CENTRAL DEPOSIT		
4,612.2	12,460	0.259	32,280	Measured
943.8	2,547	0.229	5,830	Indicated

5556.0	15,007	0.254	38,110	Measured + indicated
638.8	1,724	0.199	3,430	Inferred

TOTAL NORTHERN PLUS CENTRAL DEPOSITS

5,005.8	13,548	0.270	36,520	Measured
1,005.4	2,717	0.238	6,460	Indicated
6,011.1	16,265	0.264	42,980	Total measured + indicated
646.8	1,746	0.204	3,560	Inferred

Historically, Kutessay II also produced lead, molybdenum, silver and bismuth; however, there was no reliable historical data to quantify the remaining resources of these elements in the deposit under the rules of JORC. Representative metallurgical testing will help to determine the potential for these additional byproducts. Currently, this initiative is ongoing.

REO grade and tonnage across elevations

Measured and indicated resource tonnage and grade vary at different elevations, from the lowest pit walls to below the lowest exploration adit. The following table gives the estimate of the total measured and indicated RE2O3 mineral resource for each 10 metres (m) in elevation.

Level, m	(sum)RE2O3, %	(sum)RE2O3, mt
2380	0.236	1
2370	0.217	114
2360	0.264	347
2350	0.304	708
2340	0.308	1668
2330	0.294	3104
2320	0.289	3119
2310	0.302	3356
2300	0.299	3435
2290	0.286	3312
2280	0.293	3347
2270	0.286	3187
2260	0.280	3095
2250	0.270	2723
2240	0.218	2064
2230	0.217	1988
2220	0.218	1854
2210	0.213	1767
2200	0.205	1583
2190	0.202	1478
2180	0.215	708
2176	0.178	6

Mineralization

REO tonnage and grade estimates vary across host rock types. The majority of REOs are found in quartz-chlorite metasomatites and quartz-sericite metasomatites, with the highest grade REOs found in biotite hornfels. A summary of the rock types hosting rare earth mineralization in the associated table.

Volume	Metric tonnes	Grade(sum)RE2O3	Contained(sum)RE2O3	Resource classification
1000 m3	1,000 t	%	t	
Schist and gneiss not included below				
479.7	1,285.7	0.178	2,284.0	Measured
158.4	424.6	0.148	630.2	Indicated
638.2	1,710.3	0.170	2,914.7	Measured + indicated
38.4	102.9	0.128	131.1	Inferred
Quartz-chlorite metasomatite				
1,970.8	340.8	0.338	18,043.0	Measured
320.7	869.1	0.327	2,845.0	Indicated
2,291.5	1209.0	0.330	20,888.0	Measured + indicated
182.8	495.5	0.308	1,526.6	Inferred
Quartz-sericite metasomatite				
1,581.0	4,252	0.220	9,365.0	Measured
264.2	710.6	0.195	1,384.7	Indicated
1,845.2	4,963.5	0.217	10,749.3	Measured + indicated
188.0	505.8	0.150	756.9	Inferred
Quartz-muscovite metasomatite				
135.3	365.3	0.142	517.1	Measured
95.1	256.7	0.156	400.2	Indicated
230.3	621.9	0.148	917.2	Measured + indicated
115.9	312.9	0.168	526.4	Inferred
Granophyre				
442.2	1185.2	0.251	2,974.3	Measured
107.0	286.9	0.219	626.8	Indicated
549.3	1,472.6	0.245	3,601.1	Measured + indicated
102.2	273.8	0.162	444.6	Inferred
Altered gneiss				
65.0	174	0.168	293.2	Measured
4.2	11	0.121	13.6	Indicated
70.0	185	0.165	306.8	Measured + indicated
0.1	0.1	0.102	0.3	Inferred

		Brecciated schist		
268.5	754.6	0.3	2,298.5	Measured
50.0	140.4	0.3	488.9	Indicated
318.5	894.0	0.3	2,787.4	Measured + indicated
19.3	54.0	0.331	180.0	Inferred
		Biotite hornfels		
63.1	189	0.417	789	Measured
5.8	18	0.489	86	Indicated
69.0	207	0.423	875	Measured + indicated
0.1	0.1	0.441	1	Inferred

Historical rare earth element breakdown

The historical data used to identify the breakdown of the 15 rare earth elements within the Kutessay II resource could not be verified under the rules of JORC, and therefore KMC has recommended that Stans conduct further work to confirm the accuracy of the historical data. In January 2011, Stans hired the Academy of Sciences in Kyrgyzstan to determine an accurate estimate of the concentration of each rare earth element oxide in the estimated mineral resource. The scope of work undertaken in 2011 is continuing, and has been expanded to further include relevant Russian and Canadian experts.

The associated table illustrates the historical published percentages of each individual RE2O3 contained in the rock from the mined open pit published in 1959, and within the deposit estimate published in 1992.

Element	Symbol	Content, % of (sum)RE2O3	Content, % of (sum)RE2O3
		1959	1992
		CERIUM GROUP	
Lanthanum	La	9.12	14.0
Cerium	Ce	25.02	24.6
Praseodymium	Pr	3.20	2.7
Neodymium	Nd	8.49	10.0
Samarium	Sm	3.81	2.8
Total LREEs		49.64	54.1
		YTTRIUM GROUP	
Europium	Eu	2.51	0.4
Gadolinium	Gd	2.69	2.5
Terbium	Tb	1.15	0.3
Dysprosium	D*	6.26	4.3
Holmium	Ho	0.8	0.9

Erbium	Er	4.82	2.4
Thulium	Tm	0.05	0.5
Ytterbium	Yb	1.77	1.9
Lutetium	Lu	0.06	Na
Yttrium	Y	26.69	30.7
Total HREEs:		47.16	43.9
Total		96.8	98.0

Under the Soviet method of measuring the concentration, the low end of the range for each element was reported, and therefore the totals may not equal 100 per cent.

Historic Soviet mining and processing data

Below is a table summarizing the final five years of milling and processing at the Kutessay II RE mine. The historical mill operated at a capacity of 1,000 mt of ore per day, 16 hours a day.

	Quantity of ore processed,	Content in ore, %		Extraction, %		Content in concentrate, %		Content in tails, %	
Year	1,000 t	(sum)RE2O3	Y2O3	(sum)RE2O3	Y2O3	(sum)RE2O3	Y2O3	(sum)RE2O3	Y2O3
1990	300.0	0.29	0.078	63.9	69.8	6.20	1.84	0.11	0.02
1989	279.5	0.30	0.080	63.5	69.0	6.35	1.84	0.11	0.03
1988	257.6	0.32	0.080	63.5	69.0	6.18	1.75	0.11	0.03
1987	253.9	0.31	0.085	63.7	69.5	6.37	1.93	0.11	0.03
1986	244.1	0.31	0.085	63.7	69.0	6.37	1.90	0.11	0.03

Under the Soviet method of producing REOs from Kutessay II, the initial concentrates from the mill were further upgraded at the Kyrgyz Chemical Metallurgical Plant (KCMP) for final processing into oxides, metals and alloys. Stans has begun creating a new mine design to process a much higher quantity than the 300,000 mt/annum previously processed. Metallurgical testing is continuing to assess new technologies and methods for improving the historical concentration and recovery processes. The company intends to initiate a feasibility study for restarting rare earth production operations at Kutessay II, in co-operation with the same Russian institutes that originally designed and built the Kutessay II mine, mill and processing plants.

Stans Energy is currently evaluating the merits of these various mine designs and the associated infrastructure required to support production.

Recommendations:

The following updates are based on the recommendations contained in the Kutessay II JORC report:

Evaluate potential rare earth targets in the Aktyuz ore field, including the extension below KutessayII and other know occurrences and geophysical anomalies in the district;	As part of the 2011 exploration program, Stans Energy discovered a new pit-contained mineralized zone in Kutessay II
Complete review and consolidate database of all pertinent historic Russian language files and information related to the operation of Kutessay II rare earth production, including mining, milling and processing operations for the recovery and production of rare earth concentrates and/or products;	Stans Energy is continuing to work on the collation of the relevant documentation. Due to the immense volume of paper-based documents this is an ongoing initiative
Conduct program to better define the relative concentration of the individual rare earth elements in the Kutessay II deposit;	The scope of work undertaken in 2011 is continuing, and has been expanded to further include relevant Russian and Canadian experts.
Initiate a baseline environmental study to define the natural environment and the effects of historic mining and milling on the Kutessay II site;	The initial baseline study for the Aktyuz mining area and the Kashka processing area has been completed. The Kutessay II base study is ongoing as part of the mine and infrastructure development plans.
Conduct pilot-scale metallurgical studies and investigations to develop a flow sheet for processing ore to produce concentrates of both heavy rare earth elements (HREEs) and light rare earth elements (LREEs), as well as final rare earth concentrates and final products from the Kutessay II deposit;	Pilot scale testing is currently being conducted in parallel by VNIIHT (Russian Institute of Chemical Institute of Technology) and by IRC LLC (Information Research Centre LLC).
Test technologies to remove radioactivity from the Kutessay II mineralization to reduce the environmental impacts of operations, and;	VNIIHT is currently designing a new technological process for Plant #1 that was used historically for removal of radioactivity. Stans expects to have this design completed in the second half of 2012.
Initiate an economic prefeasibility study for the Kutessay II rare earth deposit. The prefeasibility study should include open pit mining with milling, preparation of a concentrate and processing of the concentrate to produce final rare earth products.	The prefeasibility study is ongoing as the engineering works required are being finalized.

Feasibility study

A full industrial-scale test and feasibility study should follow the initial evaluation work.

(b) *Aktyuz ore field exploration licence*

In January 2010, the Company acquired an exploration license for USD$1,000 for the REEs Aktyuz Ore Field ("AOF"), which surrounds the acquisitions of the mining licenses for the past-producing REEs mine, Kutessay II, and the Kalesay Beryllium deposit. The approximate 40 Sq. km exploration license completely covers the known REEs mineralized zones surrounding Kutessay II. Each identified mineralized horizon exhibits REE mineralization at the surface.

The following important facts relate to the Aktyuz Ore Field:

- The Aktyuz Ore Field is comprised of 5 rare earth mineralized zones, consisting of Kutessay I, Kutessay II, Kutessay III, Aktyuz, and Kuperlisai
- The Aktyuz deposit was first mined for lead in the 9th to the 12th century
- The Aktyuz deposit was mined from underground for lead, zinc, silver, tin and copper from 1942 to 1946
- The Aktyuz deposit saw limited REE underground mining for REE's from 1946 to 1951 before Kutessay II was put into production
- Surface exploration for REE only on Kutessay I, Kutessay III, and Kuperlisai

Write Off

In 2011, Stans analyzed exploration results on all of the properties it owned or had under option and decided to return the Alabugin and Koshdube properties to the Kyrgyz State Geological Agency ("State GA").

Alabugin and Koshdube Write Off

The amounts attributable to the Alabugin and Koshdube properties that were paid for license, exploration and overhead costs incurred over the period of exploration totalling $220,949 and $156,061 respectively were written in 2011 as no further benefit related to this property exists and the licenses were dropped.

Exploration and Development Activities in 2011

Feasibility study. 1 mln. tpy mine design, Old Mill refurbishment and Tailing Pound #2 reconstruction projects documentation scheduled for completion by the end of December 2011 as per Licensing Agreement. The company has retained a team of highly qualified and experienced consultants with extensive experience in rare earths to undertake the project, mine design and planning, process engineering, environmental study, mineral resource estimate and construction survey to complete this tasks and carry out Bankable Feasibility Study for the 1mln. tpy mining and processing complex.

Kutessay II. In 2011, Stans focused on extending the mineralization to depth on Kutessay II to increase the size of the measured and indicated reserves as confirmed by the JORC report completed in March 2011. For 2012, Stans Energy will conduct an exploratory drilling program to better define the new mineral horizons that were discovered in 2011

Aktyuz Mine. Based on the historical records Stans Energy conducted exploratory drilling on possible rare earth mineralized zones under the historic Aktyuz mine. The 2011 exploration program was inconclusive. More detailed research of the historical documentation is required and is currently underway. The 2012 exploratory drilling will be based on the results of this ongoing research initiative.

Aktyuz Ore Field. Stans continue to do surface exploration work on the Aktyuz ore field in 2011, along with building a computerized model using historic data.

Kalesay. The resampling on the un-weathered sections collected in 2011 has been completed and has been sent for further independent analysis.

During the period ended December 31, 2011, exploration expenditures totalled $1,813,394 and was spent on exploration of the Aktyuz ($1,234,980), Kutessay II ($254,517), Kyzyluraan ($103,928) and Kalesay ($219,969) mineral properties and deferred.

Mineral properties and deferred expenditures by property

Licenses to exploration and mining rights in the Kyrgyz Republic as of December 31, 2011:

		Balance January 1, 2011	Change in the period				Balance December 31, 2011
			Additions	Write-off	Foreign exchange translation		
Kyzyluraan	$	2,341,053	103,928	-	93,524	$	2,538,505
Alabugin		220,950		(220,950)		-	0
Koshdube		156,061		(156,061)		-	0
Aktyuz (i)		588,788	1,234,980	-	22,927		1,846,695
Kutessay II		1,064,608	254,517	-	43,395		1,362,520
Kalesay		138,671	219,969	-	5,482		364,122
	$	4,510,131	1,813,394	(377,011)	165,328	$	6,111,842

Licenses to exploration and mining rights in the Kyrgyz Republic as of December 31, 2010:

		Balance January 1, 2010	Change in the period			Balance December 31, 2010
			Additions	Foreign exchange translation		
Kyzyluraan	$	2,462,406	-	(121,353)	$	2,341,053
Alabugin		233,105	9,398	(21,553)		220,950
Koshdube		152,499	16,956	(13,394)		156,061
Aktyuz (i)		-	588,788	-		588,788
Kutessay II		866,496	245,665	(47,553)		1,064,608
Kalesay		36,714	103,972	(2,015)		138,671
	$	3,751,220	964,779	(205,868)	$	4,510,131

Summary of material components of quarterly exploration expenditures and development

	2010				2011			
	Q1 $ IFRS	Q2 $ IFRS	Q3 $ IFRS	Q4 $ IFRS	Q1 $ IFRS	Q2 $ IFRS	Q3 $ IFRS	Q4 $ IFRS
Explorations rights/licenses	29,511	-	-	-		27,452	-	-
Mining licenses	-	-	-	-		-	-	-
Exploration and evaluation expenditures and overhead capitalized into exploration licenses	9,762	100,725	231,486	221,975	1,305	169,252	488,538	652,361
Development and evaluation expenditures and overhead capitalized into mining licenses	23,157	172,405	66,480	73,201	29,723	154,712	109,253	180,798
Write off (expensed)	-	-	-	-	-	-	-	(377,010)

Acquisition of the Kashka Rare Earth Plant

On May 26, 2011, the Company completed its USD$5,500,000 acquisition of 100% of Kyrgyz Chemical Metallurgical Plant (KCMP). The complex has been legally renamed "Kashka REE Plant Ltd.". As the complex did not meet the definition of a business, the acquisition has been accounted for as an asset acquisition. The Company is currently working on restoring operations of the plant.

The following table summarizes the allocation of assets acquired

Property, Plant and equipment:	
Land	$ 162,946
Buildings	1,576,853
Equipment	3,760,201
Total assets acquired	$ 5,500,000

Stans hired the team of experts to restart production of heavy rare earth elements (HREEs) from outsourced concentrates at plant No. 3 in 2012, and to assist the company's engineering team to design a new plant No. 1 (a thorium extraction facility) and a solvent extraction (SX) plant with a 1,500-tonne-per-year capacity. Going forward, the plan is to have both the first module of plant No. 1 and the 500-tonne-per-year SX plant in operation by 2013.

Stans Energy has been engaged in a refurbishment program at the Kashka REE Plant since its acquisition on May 26, 2011. Plant No. 3 is expected to be in operation for outsourced concentrates by the end of 2012. Variability in the completion dates for Plant No. 1, Plant No. 3 and the SX plant has allowed Stans to evaluate several possibilities for producing saleable products, providing for greater flexibility in off-take discussions;

1. Stans will sell 100% (1500 tonnes) of production in a concentrate form

2. Stans will process and sell 500 tonnes of Rare Earth Oxides or Metals and sell 1000 tonnes of Rare Earth concentrate
3. Stans will process and sell 100% of the product (1500 tonnes) in rare earth oxides and or metal form.

General Financial Condition

As at December, 2011, the Company had a cash balance of $7,239,574 (December 31, 2010 - $1,332,737) and short-term investments of $11,890,674 (December 31, 2010 $1,101,511) to settle current liabilities of 414,181 (December 31, 2010 - $190,648). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

A summary of selected financial information for the three years ended December 31 is as follows:

	2011	**2010**	**2009** [(1)]
Interest and Sundry income	$ (116,183)	($1,997)	$ (9,381)
Gain on warrant revaluation		$ (3,200,000)	
Debt forgiveness		$ (84,622)	
Expenses	$ 7,538,296	$ 2,859,526	$ 2,849,748
Net loss (income)	$ 7,422,113	$ (427,093)	$ 2,840,367
Total Assets	$ 32,826,145	$ 7,140,440	$ 4,083,807
Cash flows used in operations	$ (4,129,009)	$ (1,883,442)	$ (777,059)
Loss (income) per share (basic and diluted)	$ 0.05	($ 0.00)	$ 0.03

[(1)] Information for 2009 is presented in accordance with previous Canadian GAAP for public companies

Results of Operations for the year ended December 31, 2011

The results of operations reflect the overhead costs incurred for mineral property acquisitions and exploration expenses incurred by the Company to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, exploration and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues.

As at December 31, 2011, the Company had not recorded any significant revenues from its projects.

For the year ended December 31, 2011, Stans incurred a loss from operations of $7,422,113 compared to $427,093 income for the year ended December 31, 2010. Explanations for the significant variances for the $ 7,849,206 increase from 2010 are explained below:

- For the year ended December 31, 2010, the Company recorded the $3,200,000 gain on share purchase warrant revaluation relating to the modification of the warrant exercise price from USD$0.10 to CDN$0.10 which were transferred into share capital The USD – denominated share purchase warrants are adjusted to fair value on the reporting date and changes in fair value are recognized in the statement of loss and comprehensive loss. These warrants were exercised on June 1, 2010.
- an increase of $3,035,932 in share-based compensation expense as comparing to 2010 related to the option grant in May, July and August 2011, and options grants in 2010 that vested in 2011

were expensed in the period ended December 31, 2011.

- salaries and benefits for the year ended December 31, 2010 were $350,585 as compared to $1,328,808 salaries and benefits paid in 2011 and increased due to a significant increase in personnel and increase in officers' compensation
- travel expenses have increased from $ 387,655 in 2010 to $ 534,927 in 2011 due to the increased number of business trips to subsidiaries
- there were no significant changes in professional and consulting fees: $623,391 in 2010 and $569,637 in 2011
- an increase from $54,603 to $289,649 in shareholder communication and promotion due to an increase in the number and nature of its external communications to investors and expenses related to the annual shareholder's meeting.
- Interest income in 2010 was $ 1,997 compared to $116,183 in 2011 with the increase attributable to interest on the short-term investments.

The following table sets forth a breakdown of material components of the general and administration costs of the Corporation for the two periods ended:

For the year ended December 31,	**2011**	**2010**
Investor relations, promotions and advertising	$ 289,649	$ 54,603
Office expenses	278,124	106,393
Rent	115,818	86,029
Salaries and benefits	1,328,808	350,585
Travel	534,927	387,655

Results of Operations for the three month period ended December 31, 2011

The Company incurred a net loss for the three months period ended December 31, 2011 of $ 2,036,702 compared with a net loss of $1,001,050 in the prior year. Explanations for the variance of $1,035,652 increase from 2010 are explained below:

- an increase of $655,712 in share-based compensation expense as comparing to Q4-2010 related to the options grants in 2010 and 2011 that vested in 2011 and were expensed in the quarter ended December 31, 2011.
- salaries and benefits expense in Q4 -2010 of $117,179 as compared to $415,042 salaries and benefits paid in Q4- 2011 and increased due to a significant increase in personnel and increase in officers' compensation
- a decrease in professional and consulting fees from: $283,802 in Q4-2010 to $198,940 in Q4-2011 is due to decrease in legal and other fees attributable to due diligence in 2010.
- an increase from $11,304 in Q4-2010 to $18,723 in Q4-2011in shareholder communication and promotion due to an increase in the number and nature of its external communications to investors and expenses related to the annual shareholder's meeting.
- Interest income in Q4-2010 was $1,403 compared to $41,427 in Q-42011 with the increase attributable to interest on the short-term investments.

The following table sets forth a breakdown of material components of the general and administration costs of the Corporation:

For the three months period ended December 31,	2011	2010
Investor relations, promotions and advertising	$ 18,723	$ 11,304
Office expenses	53,654	25,720
Rent	33,650	21,913
Salaries and benefits	415,042	117,179
Travel	102,612	160,719

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters. The quarters ending after January 1, 2010 have been restated to reflect accounting policies consistent with IFRS.

2010 – 2011 (IFRS)

	Q1-2010 $	Q2 $	Q3 $	Q4 $	Q1-2011 $	Q2 $	Q3 $	Q4 $
Interest Income and debt forgiveness	84,646	-	570	1,403	453	14,844	59,459	41,427
Gain (loss) on share purchase warrant revaluation	2,032,834	1,167,166	-	-	-	-	-	-
Expenses:								
Stock-based compensation	275,564	313,800	236,096	323,302	183,699	1,387,659	1,607,527	979,014
Mineral Property write-off	-	-	-	-	-	-	-	374,960
Operating Expenses	259,828	369,864	432,809	652,197	646,488	1,121,100	513,694	724,155
Loss (income) for the period	**(1,586,835)**	**(573,804)**	**668,905**	**1,001,050**	**829,734**	**2,493,915**	**2,061,762**	**2,036,702**
Loss (income) per share (basic and diluted)	**$(0.015)**	**($0.005)**	**$0.005**	**$0.007**	**$0.004**	**$0.01**	**$0.02**	**$0.02**

This summary of quarterly results should be read in conjunction with the financial statements and notes included in the Company's annual report.

Related Party Transactions

During the year ended December 31, 2011, the Company expensed $12,400 in consulting fees to a director of the Company. These transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related party).
The remuneration awarded to directors and to senior key management, is as follows:

	December 31, 2011		December 31, 2010
Salaries and Benefits	$ 827,948		$ 153,684
Stock-based compensation	4,157,899		1,121,967
	$ 4,985,847		$ 1,275,651

Disclosure of Outstanding Share Data

As at December 31, 2011, and as of the date of this Discussion, the following is a description of the outstanding equity securities and exercisable securities previously issued by the Company:

(a) Issued - common shares

	Number of Shares	Amount
Balance, December 31, 2011	155,423,986	$ 42,347,789
Shares issued on exercise of options and warrants (i-ii)	1,840,000	762,244
Balance, April 30, 2012	157,263,986	$ 43,110,033

*The amount recorded on exercise of warrants and options includes the previously recorded fair value of warrants/options transferred into share capital.

(i) In January 2012, 920,000 options to purchase the Company's shares at $0.33 issued to its officers and directors were exercised.
(ii) In February 2012, 920,000 options to purchase the Company's shares at $0.125 issued to its former officer and were exercised.

(b) Warrants

As at December 31, 2011, the outstanding number of warrants exercisable into one common share is as follows:

Date of issuance	Number of warrants	Exercise price	Recorded fair value	Expiry date
April 28, 2011	7,567,568	$2.25	$ 5,136,989	April 28, 2013
April 28, 2011	908,108	$1.85	$945,340	April 28, 2013

(c) Stock options

As at December 31, 2011, and as of the date of this Discussion the continuity of stock options is as follows:

	Number of Stock Options	**Weighted Average Exercise Price**
Balance, December 31, 2011	11,963,333	$0.84
Options exercised (expiry date Jan. 4, 2012)	(920,000)	0.33
Options exercised (expiry date Dec. 9, 2014)	(920,000)	0.125
Options granted (expiry date Jan. 10, 2017)	3,050,000	0.74
Options granted (expiry date Jan. 10, 2017)	150,000	0.74
Options granted (expiry date Jan. 24, 2017)	500,000	1.18
Options granted (expiry date Feb.27, 2017)	40,000	1.12
Options granted (expiry date March 7, 2017)	300,000	0.94
Balance, April 29, 2012	14,163,333	$0.91

The following table reflects the options granted in 2012 up to the date of this Discussion:

Date	Options granted	To	Exercise price	Expiry date	Vesting period
Jan.10,2012	3,050,000	Officers, directors and employees	$0.74	Jan.17, 2017	18 months
Jan.10,2012	150,000	Advisor	$0.74	Jan.17, 2017	18 months
Jan.24,2012	500,000	Employee	$1.18	Jan.24, 2017	18 months
Feb.27,2012	40,000	Consultant	$1.12	Feb.27,2017	9 months
March 7,2012	300,000	Officer	$0.94	March 7,2017	18 months

(a) In January 2012 920,000 options to purchase the Company's shares at $0.33 with the expiry date of January 4, 2012 granted to directors and officers were exercised. The consideration received on the exercise of stock options of $303,600 was recorded as share capital and the related contributed surplus of $258,520 was transferred to share capital.

(b) On February 21 2012 920,000 options to purchase the Company's shares at $0.125 with the expiry date of December 9, 2014 granted to former officer were exercised. The consideration received on the exercise of stock options of $115,000 was recorded as share capital and the related contributed surplus of $ 85,124 was transferred to share capital.

Proposed Transactions

The board of directors of the Company is not aware of any proposed transactions involving a proposed asset or business or business acquisition or disposition which may have an effect on financial conditions, results of operations and cash flows.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance finance arrangements.

Commitments

The Company is committed to pay approximately $6,000 per month for the lease of its office. The following table lists the Company's contractual obligations.

	2012	2013	2014	2015	2016	2017	Total
Operating leases	$48,000	72,000	72,000	72,000	72,000	42,000	$378,000

Liquidity And Capital Resources

The activities of Stans are financed through the completion of equity offerings involving the sale of securities which generally include private placements and rights offering with the shareholders of Stans.

As at December 31, 2011, Stans had a net working capital of $21,135,375 (December 31, 2010 - $2,754,052) comprised of cash, short-term investments, amounts receivable, prepaid expenses and accounts payable and accrued liabilities.

As at December, 2011, the Company had a cash balance of $7,239,574 (December 31, 2010 - $1,332,737) and short-term investments of $11,890,674 (December 31, 2010 $1,101,511) to settle current liabilities of $414,181 (December 31, 2010 - $190,648). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

Stans does not generate revenue from operations and any significant improvements in working capital would result from the issuance of share capital. During the year ended December 31, 2011, the net cash proceeds from the issue of share capital amounted to $28,712,590.

The proceeds from the private placements will be used for a feasibility study on Kutessay II and Kalesay, refurbishment and upgrades to the KCMP rare-earth-processing complex, Aktyuz exploration, and for working capital.

Financial Instruments and Financial Risk Factors

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the financial objectives, policies and processes for the period ended December 31, 2011.

<u>Credit risk</u>

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the financial objectives, policies and processes for the period ended December 31, 2011.

Company's credit risk is primarily attributable to cash and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash on hand. Short-term investments consisting of financial instruments included in GICs and amount receivables consist of sales tax receivable from government authorities in Canada. Management believes that the credit risk with respect to financial instruments included in cash, short-term investments and amounts receivable is remote.

<u>Liquidity risk</u>

The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December, 2011, the Company had a cash balance of $7,239,574 (December 31, 2010 - $1,332,737) and short-term investments of $11,890,674 (December 31, 2010 $1,101,511) to settle current liabilities of 414,181 (December 31, 2010 - $190,648). All of the Company's financial liabilities have contractual maturities of less than 12 months and are subject to normal trade terms.

<u>Market risk</u>

a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the banks. The Company does not have any interest bearing debt.

b) Foreign Currency Risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. Transactions related to the Company's exploration and acquisition activities are mainly denominated in United States dollars ("USD") and some in SOM and Rubles. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rate. The Company has not entered into any derivative contracts to manage this risk. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period-end exchange rates. At December 31, 2011, the Canadian dollar ("CDN") equivalent of the Company's financial instruments by currency of denomination is as follows:

	Canadian Dollar Equivalent of SOMs' denominated	Canadian Dollar Equivalent of USD denominated	Canadian Dollar
Cash	$ 735,336	$ 5,259,587	$ 5,994,923
Prepaid expenses and other receivables	799,417	-	799,417
	1,534,753	5,259,587	6,794,340
Accounts payable and accrued liabilities	(3,357)	(16,400)	(19,757)
Net assets (liabilities) exposure	$ 1,531,396	$ 5,243,187	$ 6,774,583

Based on the above net exposures at December 31, 2011, a 10% depreciation or appreciation of the above currencies against the CDN dollar would result in an increase or decrease, respectively, in our net loss by $626,958 (December 31, 2010 - $45,654).

Outlook

Although economic conditions in the financial market appear to have made a modest recovery, it remains difficult under current economic conditions to secure debt or equity financing for same companies and in particular for junior resource companies. The Company's near-term goal continues to be to preserve its cash resources by minimizing operating costs, however due the availability of permits to conduct drilling operations on the mineral properties, the Company intends to expend funds on a drilling program on this key project when and if all required approvals have been received. The Company will continue to review strategic acquisitions and/or partnership opportunities that may become available, and will carefully monitor market conditions in relation to the resumption of planned exploration programs on other key properties.

If the current market conditions persist for an extended period of time, there can be no assurance that additional funding will be available to the Company or if available, that this funding will be on acceptable terms.

Changes in Accounting Policies

The IASB and the IFRS Interpretations Committee ("IFRIC") have issued a number of standards and interpretations with an effective date after the date of these financial statements. Set out below are only those standards that may have a material impact on the financial statements in future periods. The Company is currently evaluating the impact of these future policies on its financial statements but expects that such impact will not be material. The following standards have been issued but are not yet effective:

(a) IFRS 9 Financial Instruments was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

(b) IFRS 10 Consolidated Financial Statements was issued by the IASB in May 2011. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(c) In May 2011, the IASB issued IFRS 11 Joint Arrangements, which is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

(d) IFRS 12 Disclosure of Interests in Other Entities was issued by the IASB in May 2011. IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(e) IFRS 13 provides guidance on how fair value should be applied where its use is already required or permitted by other standards within IFRS, including a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The effective date is for annual periods beginning on January 1, 2013.

(f) IAS 1 Presentation of Financial Statements was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

(g) IFRIC 20 Stripping Costs in the Production Phase of a Mine was issued by the IASB in October 2011 and clarifies the requirements for the costs of stripping activity in the production phase when two benefits accrue: (i) usable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

The Company is currently evaluating the impact of the above standards on its financial performance and financial statement disclosures but expects that such impact will not be material.

Business Risks, Uncertainties and Going Concern

The Company currently conducts all of its operations in the Kyrgyzstan. Accordingly, operations are exposed to various regulations pertaining to its business and to various levels of political, economic, legal and other uncertainties associated with doing business in Kyrgyzstan.

The Company is in the development stage and is subject to the risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to, dependence on key individuals and successful exploration and development. The application of going concern is dependent upon the Company's ability to attain commercial production and generate future profitable operations.

Substantial expenditures are required to establish reserves, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. In the absence of cash flow from operations, Stans relies on capital markets to fund its exploration and evaluation activities. There can be no assurance that adequate funding will be available for those purposes when required.

Development of Stans' resource properties will only continue upon obtaining satisfactory results of properties' assessments. Mineral exploration and development involves a high degree of risk and may not be developed into a producing mine. The long-term profitability of Stans' operations will be in part directly related to the cost and success of its exploration and subsequent evaluation programs, which may be affected by a number of factors. These factors include the particular attributes of the mineral deposits including the quantity and quality of the Uranium and Rare Earth Elements, proximity to, or cost to develop, infrastructure for extraction, financing costs, mineral prices and the competitive nature of the industry. Also of key importance are governmental regulations including those relating to prices, taxes, royalties, land tenure and use, the environment and the importing and exporting of minerals. The effects of these factors cannot be accurately predicted, but any combination of them may result in the Company not receiving an adequate return on invested capital.

Mining Industry

Mining operations generally involve a high degree of risk. Stans operations are subject to the hazards and risks normally encountered in the exploration, development and production of Uranium and Rare Earth Elements, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

The development project has no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the mineral body, expected recovery rates of minerals, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of Uranium and REEs.

No Revenues
To date, Stans has not recorded any revenues from operations nor has Stans commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that Stans will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of the properties. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the property will require the commitment of substantial resources to conduct time consuming development. There can be no assurance that Stans will generate any revenues or achieve profitability.

Dependence on Outside Parties
Stans has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the Uranium and Rare Earth Elements from the minerals and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Licenses and Permits, Laws and Regulations
Stans could encounter regulatory and/or permitting delays. Stans utilizes its best efforts to ensure timely application for any government permits necessary for carrying out its business in Kyrgyzstan. However, its past ability to obtain all necessary permits in the timely fashion is not a guarantee of future results as events like bureaucracy, minor changes in legislation and even government holidays that are beyond Stans' control could substantially impede the timing of receiving essential permits and delay or stall Stans' exploration efforts..

Key Personnel
The Company is depending on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. The Company does not have key person insurance on these individuals.

Industry Risk
Stans' ability to continue funding its exploration program and possible future profitability is directly related to uranium and REE market prices. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of Stans. The level of interest rates, the rate of inflation, the world supply of

and demand for mineral commodities, and exchange rate stability can all cause significant price fluctuation. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political development. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Stans' business, financial condition and results of operations.

Share Price Volatility
In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

Shareholders' Interest in the Company may be Diluted in the Future
The Company will require additional funds for its planned activities. If Stans raises additional funding by issuing equity securities, such financing could substantially dilute the interests of its Shareholders. Sales of substantial amounts of common shares or the availability of securities for sale, could adversely affect the prevailing market prices for the Company's Common Shares. A decline in the market prices of Common Shares securities could impair the ability of the Company to raise additional capital through the sale of new common shares should Stans desire to do so.

The Corporation will do its best to minimize these business risks by employing management, technical staff and consultants with extensive industry experience; maintaining a low cost structure; maintaining prudent financial practices; controlling timing and magnitude of operating and capital costs; and maintaining insurance in accordance with industry standards.

<u>Country of Operation Risks</u>

Distorted economy of Kyrgyzstan.
Kyrgyzstan is a predominantly agricultural economy, however state revenues are heavily dependent on gold export. Therefore gold price fluctuations and/or drop in output can trigger substantial declines in GDP, and cause rapid fluctuations in purchasing power parity, interest rates, tax regime, foreign exchange, etc. The purchasing power volatility can result in mismatch between estimated and actual operating expenditures of Stans and its subsidiary.

Political instability.
There has been a high turnover in key government positions and the cabinet of Kyrgyzstan in the past two years. On the one hand, this turnover is indicative of a transition to a more representative and competitive political system with a greater diversity of views and platforms. On the other hand, inconsistency of the political direction may have an adverse effect on the progress of regulatory, fiscal and other institutional reforms. Furthermore, the timing of the Stans' work progress may be adversely affected as additional efforts may be required to accommodate those regulatory changes and additional business costs may be triggered.

Approval

The Board of Directors of Stans Energy Corp. has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company can be found on SEDAR at <u>www.sedar.com</u>.