

**RARE ELEMENT RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2007**  
**Containing information up to, and including February 19, 2008**

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the consolidated financial statements of Rare Element Resources Ltd. ("Rare Element Resources" or the "Company"). The information provided herein should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended June 30, 2007 and unaudited consolidated financial statements and notes for the six months ended December 31, 2007.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

The reader is encouraged to review the Company's statutory filings on [www.sedar.com](http://www.sedar.com).

All currency amounts are expressed in US dollars unless otherwise noted.

**Overall Performance**

The Company's principal activity is the acquisition and exploration of mineral properties.

The Company was incorporated in the province of British Columbia on June 3, 1999 and acquired Paso Rico Resources Ltd. ("Paso Rico") in 2003. Paso Rico owns the Bear Lodge Property in Wyoming, USA, through its wholly owned subsidiary, Paso Rico (USA), Inc. On June 1, 2006, Paso Rico (USA), Inc. and Newmont North America Exploration Limited ("Newmont"), a subsidiary of Newmont Mining Corporation, signed an agreement to establish a gold exploration venture on the Bear Lodge Property.

Newmont has the right to earn a 65% working interest in Rare Element Resources' Bear Lodge property, excluding any rights to the rare-earth elements and uranium but including rights to gold and other metals, by performing \$5 million in mineral exploration expenditures over a five-year period. Newmont also has the right to earn an additional 15% working interest by completing a positive feasibility study.

In November 2007, the Company completed a non-brokered private placement of 1,075,000 units for gross proceeds of \$1,150,358 (\$1,075,000 CDN). Proceeds from this offering provide funding for exploration of the Company's Bear Lodge, Wyoming, rare-earth property and administration expenses.

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**Exploration expenditures on resource properties:**

	Balance June 30, 2006	Expenditures for the year	Balance June 30, 2007	Expenditures for the period	Balance December 31, 2007
<b>Bear Lodge Property</b>					
Property acquisition costs	\$ 17,721	\$ -	\$ 17,721	\$ -	\$ 17,721
Exploration expenditures					
Assays	7,637	114	7,751	2,310	10,061
Assessments and taxes	20,104	-	20,104	-	20,104
Drilling	250,409	73,513	323,922	136,038	459,960
Geological consulting	121,983	46,785	168,768	26,030	194,798
Geophysical	300	-	300	-	300
Metallurgical testing	-	38,530	38,530	-	38,530
Overhead expenses	8,489	1,190	9,679	810	10,489
Staking	17,949	-	17,949	-	17,949
Survey	34,338	-	34,338	-	34,338
Travel expenses	23,935	-	23,935	80	24,015
Wages	99,734	-	99,734	-	99,734
Total exploration expenditures on Bear Lodge property	602,599	160,132	762,731	165,268	927,999
<b>Kipawa Property</b>					
Exploration expenditures					
Geological consulting	4,949	-	4,949	-	4,949
Staking	1,308	-	1,308	-	1,308
Write-down of property	-	(4,841)	(4,841)	-	(4,841)
Total exploration expenditures on Kipawa property	6,257	(4,841)	1,416	-	1,416
<b>TOTAL EXPENDITURES</b>	<b>\$ 608,856</b>	<b>\$ 155,291</b>	<b>\$ 764,147</b>	<b>\$ 165,268</b>	<b>\$ 929,415</b>

**Bear Lodge Property**

Paso Rico holds a 100% interest in a group of unpatented mineral claims, the Bear Lodge Project property. The property is situated in the Bear Lodge Mountains of northeastern Wyoming. These claims were, in part, acquired from Phelps Dodge Exploration Company ("Phelps Dodge") by way of a "Mineral Lease and Option for Deed". Some of the claims and a portion of a defined area of influence surrounding the claims are subject to a production royalty of 2% of Net Smelter Returns ("NSR") payable to Phelps Dodge. Paso Rico owns a portion of the claim group outright and those claims are not subject to the NSR.

The Company staked 20 additional claims at the property in 2005. The property now comprises 90 federal unpatented mineral claims and a 640-acre Wyoming state lease for a total of approximately 2,100 acres. All claims are located on federal lands and are subject to annual maintenance fees payable to the United States Bureau of Land Management, which are now, and will continued to be, paid by Newmont for the term of Newmont Agreement (see the section "*Newmont Gold "Sundance" Venture*" below).

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*Rare-earth Exploration*

The Bear Lodge Project contains widespread indications of precious metals and “rare-earth elements” (“REE”). REE are used in hybrid-electric-vehicles (HEV) and motor/generators, consumer nickel-metal-hydride (Ni-MH) batteries, fuel cells, magnetic refrigeration technologies, and numerous other modern specialty technologies.

The mineral claims that comprise the Bear Lodge Project have been explored for REE, as well as precious metals and base metals, by a number of major mining companies at various periods over the past 50 years. These various exploration campaigns have identified a number of rare-earth and precious metals indications that the Company believes warrant further exploration and evaluation.

The Company began exploration of the Bear Lodge Project properties in late 2004. Two drill holes targeted previously known rare-earth-bearing carbonatite dikes in the Bull Hill Southwest area for a total of 2,305 feet. These holes were successful in intersecting good grades of rare-earth mineralization and in confirming historical drill-hole data (news release dated January 20, 2005). The third hole drilled (962 feet) did not intercept significant REE intervals.

In October of 2005, the Company drilled two core holes, RES05-1 and RES05-2 totaling 2,174 feet, in the Bull Hill Southwest area. The holes were drilled to test the rare-earth-element (REE) content and continuity of a dike-swarm, which was identified by Hecla Mining Company (“Hecla”) during the period from 1987 through 1991. Hecla drilled twelve holes during that period and followed up 4 holes drilled previously by Duval and Molycorp in the REE mineralized zone. Drill-hole RES05-2 was collared at the site of Hecla drill-hole WP-6, tested the down-dip extension of the dike-swarm, and intercepted seven REE-mineralized intervals as reported in a news release dated February 23, 2006. The drill-hole intersected a series of REE-mineralized iron-oxide-manganese-oxide, silicocarbonatite, and carbonatite veins, dikes, and stockworks, which were contained within the heterolithic intrusive breccia body of the Bull Hill Southwest area.

A compilation of data and the resulting quality of the targets, which were generated, confirm the exceptional rare-earth-element exploration potential of the Bear Lodge property. Based on this compilation of data, the Company performed a 2007 exploration program, which featured drilling and metallurgical work to confirm the historical REE mineralization, which was the result of Hecla’s work on the Bull Hill Southwest dike-swarm. During 2007, Rare Element Resources continued to explore the Bull Hill area carbonatite dikes with core drilling of three holes. Two of these drill holes were designed to confirm the presence of high-grade REE mineralization, to tighten drill-hole spacing within the mineralized zone, to expand the known mineralized zone of the Bull Hill Southwest target, and to gather metallurgical test samples. The third hole was designed to test the Bull Hill Northwest target area.

The historical grades and thicknesses of rare-earth-bearing mineralization defined by Hecla as occurring in FMR and carbonatite dikes have been verified by Rare Element Resources’ 2004-2007 drilling programs. Metallurgical testwork has been previously conducted at two laboratories, and a new metallurgical testing program is ongoing using samples from the 2007 drilling program. Current metallurgical tests on the rare-earth mineralized materials are designed to determine how these materials could be concentrated and eventually produced in the most economical way. One of Rare Element Resources’ principal goals, building on the Company’s REE-mineralization confirmation, is to estimate a NI 43-101-compliant resource of the rare-earth mineralization.

In December 2007, the Company received the assay result for its RES07-1 drill hole and the highlight of the assay results were reported in a news release dated December 17, 2007.. The rare-earth mineralization

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encountered in this 1,057-foot drill hole is contained within well-defined carbonatite dikes, and a FMR (iron-manganese-rare-earth element) dike, which all intrude a body of heterolithic intrusive breccia of the Southwest Bull Hill target.

The Company completed the rare-earth drill program in the fall of 2007 with two additional holes (RES07-2 & 07-3) for a total of 2,000 feet and assay results are pending. Drill-holes RES07-1 and 07-2 were designed to expand knowledge of the Bull Hill Southwest dike swarm and to gather metallurgical test samples. Drill-hole RES07-3 targets a high-grade rare-earth carbonatite on the northwestern margin of Bull Hill. This carbonatite in the Bull Hill Northwest target was previously intersected by the Hecla Mining Company drill-hole WP-2, which intersected thick zones of high-grade rare-earth oxides (“REO”) in oxidized carbonatite and also in non-oxidized carbonatite, as reported in a news release dated May 2, 2006. \*

Further information can be found in past news releases posted on the Company’s Sedar website ([www.sedar.com](http://www.sedar.com)).

In the first six months of fiscal 2008, the Company incurred \$165,268 in exploration expenditures on its properties. As at December 31, 2007, the Company had incurred a total of \$927,999 (June 30, 2007 - \$762,731) on exploration work at Bear Lodge.

*\* For reference, Hecla Mining Company holes WP-2 and WP-6 with key REE assay intervals. Drill-hole WP-2 historical data cannot be independently verified in accordance with NI 43-101 and should not be relied upon until confirmed. Drill-hole WP-6 geology and results has been verified by subsequent Rare Element Resources’ drill holes RES04-1, RES05-2, and RES07-1, which were all drilled as offsets of WP-6.*

Newmont Gold “Sundance” Venture

On June 1, 2006, the Company’s wholly owned subsidiary, Paso Rico (USA), Inc. and Newmont signed an agreement to establish a gold exploration venture on the Company’s Bear Lodge, Wyoming property (“Venture”). Under the term sheet, Newmont has the right to earn a 65% participating interest in the Bear Lodge property, excluding any rights to the REE and uranium, but including rights to gold and other metals if Newmont spends \$5 million in property exploration by 2011.

Newmont also has the right to earn an additional 15% participating interest by completing a positive feasibility study. If the Company’s interest is reduced below 20% for any reason, the Company shall have a financing option by which it may elect for Newmont to carry the Company’s share of Venture expenditures, without further dilution to the Company, until commencement of mining on the property. The funds advanced by Newmont under the financing option, plus interest at LIBOR plus 3%, shall be recouped from 90% of the Company’s portion of the proceeds from production.

Newmont has staked an additional 116 Federal lode mineral claims and included them as part of the Venture’s property. Newmont is the operator of the Venture’s gold-exploration program. The Company continues to advance its rare-earth-element exploration program; however, if the two exploration programs conflict, the Venture, under Newmont, may operate both programs.

In October 2006, Newmont completed nine reverse-circulation drill holes (1,687 metres of reverse-circulation drilling) and two core holes (535 metres of core drilling) on the Carbon and Taylor targets. The assay results demonstrated significant potential for the definition of surface gold deposits, as well as potential for deeper higher-grade gold occurrences.

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The first eight drill holes of the 2007 program of the Sundance gold-exploration venture have significant gold-silver grades over substantial thicknesses in both the Carbon and Taylor targets, as reported in a news release dated October 2, 2007

Because of the drill results for the initial eight holes, the Sundance venture drilled another seven holes on the Carbon target in October 2007 to follow up on these promising results. The original 2007 drilling was designed to gather geological information on the gold mineralization and test concepts and new areas; the additional drilling expanded the gold mineralized zones.

On January 31, 2008, the Company, together with Newmont, reported in a news release the new gold results for the final seven holes of its 2007 drill program, including hole SUN-038 which intercepted some of the higher grade mineralization. All 26 holes drilled by Newmont in 2006-2007 on the Sundance project area have returned gold grades, with many holes having great thicknesses of continuous mineralization.

A systematic program of drill testing for grade and tonnage of a potentially large gold system is expected to proceed later in 2008 once a new exploration permit is in place allowing much greater flexibility for drill-hole locations than is currently available.

Further detailed information about drilling results can be found in [www.sedar.com](http://www.sedar.com), October 12, 2006; January 18, 2007; October 2, 2007; and January 31, 2008 news releases.

Newmont incurred a total of \$1,294,724 in exploration expenditures on the joint venture property (\$645,940 in 2006 and \$648,784 in 2007).

**Kipawa Property**

In April 2006, the Company acquired 26 claims by staking in Quebec, Canada, totaling approximately 1,531 hectares. The property is located about 90 km northwest of North Bay, Ontario. The Company wrote off \$4,841 in fiscal 2007 in light of the sale of the property for \$1,500 CDN (\$1,416). On October 12, 2007, the Company sold the property for \$1,500 CDN (\$1,416). In January 2008, the Company received \$1,500 CDN for the sale.

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**Selected Annual Information**

	<b>Year ended June 30, 2007</b>	<b>Year ended June 30, 2006</b>	<b>Year ended June 30, 2005</b>
	\$	\$	\$
Total revenues	35,083	Nil	Nil
General and administrative expenses	781,738	458,407	145,082
Write-off of resource-property costs	4,841	Nil	Nil
Loss for the year	(751,496)	(458,407)	(145,082)
Loss per share – basic and diluted	(0.04)	(0.03)	(0.01)
Total assets	1,969,319	1,094,740	521,392
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared – per share	Nil	Nil	Nil

**Summary of Quarterly Results**

Expressed In \$	<b>Dec 07 Quarter</b>	Sep 07 Quarter	June 07 Quarter	Mar 07 Quarter	<b>Dec 06 Quarter</b>	Sep 06 Quarter	June 06 Quarter	Mar 06 Quarter
Total Revenue	<b>Nil</b>	Nil	35,083	Nil	<b>Nil</b>	Nil	Nil	Nil
Income (Loss)	<b>(282,624)</b>	19,191	(54,625)	(159,691)	<b>(309,822)</b>	(227,358)	(58,581)	(150,168)
Earnings (Loss) Per Share	<b>(0.01)</b>	0.00	(0.00)	(0.01)	<b>(0.02)</b>	(0.01)	(0.00)	(0.01)
Total Assets	<b>3,182,703</b>	2,315,735	1,969,319	1,794,421	<b>1,911,495</b>	1,907,636	1,094,740	1,127,231
Total Long-term Liabilities	<b>Nil</b>	Nil	Nil	Nil	<b>Nil</b>	Nil	Nil	Nil
Cash Dividends Declared	<b>Nil</b>	Nil	Nil	Nil	<b>Nil</b>	Nil	Nil	Nil

**Results of Operations for the three months ended December 31, 2007 compared to the three months ended December 31, 2006.**

The net loss for the second quarter of fiscal 2008 totaled \$282,624 compared to loss of \$309,821 in the same period of 2007. The basic and diluted losses per share for the second quarter of fiscal 2008 and 2007 were comparable and totaled \$0.01. Interest income totaled \$7,413 in three months ended December 31, 2007 and \$Nil in 2006 as a result of interest earned on the funds that the Company held.

Total general and administrative costs were \$290,067 for the second quarter of fiscal 2008, and \$309,821 for the comparative period in fiscal 2007, a decrease of \$19,754. The reasons for the decrease are: (a) a decrease of \$40,878 in non-cash stock-based compensation expense with less options vested during the current period; and (b) the Company terminated its engagements with two investor relation firms, resulting in a saving of \$15,466 in investor relations expenditure.

These decreases were offset with increases in: (a) management fees of \$34,187 during the transition period between the former president and the current president; (b) travel of \$6,147 as a result of management performing some of the investors relations work; (c) accounting and administrative fees of \$4,422, and transfer and listing fees of \$3,448, resulting from additional financing done in November 2007.

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**Results of Operations for the six months ended December 31, 2007 compared to the six months ended December 31, 2006.**

The net loss for the six months ended December 31, 2007 totaled \$263,433 compared to loss of \$537,179 in the same period of 2006, a decrease of \$273,746. The basic and diluted loss per share was \$0.01 in the six months ended December 31, 2007 compared to the loss per share of \$0.03 for the same period in 2006. The Company earned interest income of \$7,413 on the \$1.5 million CDN GIC held in a Canadian financial institution during the current period. During the current period, the Company also had a gain on foreign exchange of \$152,581 (2006 – foreign exchange loss of \$52,752) with the strengthening of the Canadian dollar. The Company holds the majority of its financial resources in Canadian dollars until such time that payment (in US\$) is required.

Total general and administrative costs were \$423,427 (excluding the \$152,581 foreign exchange gain) for the first two quarters of 2008, and \$484,427 (excluding the \$52,752 foreign exchange loss) for the comparative period in fiscal 2007. The operating expenses decreased by \$61,000 mostly due to a decrease of \$63,334 in investor relations expenditures with the Company terminating its investor relations arrangements.

**Liquidity**

As at December 31, 2007, cash totaled \$2,171,452, an increase of \$1,086,115 from \$1,085,337 as at June 30, 2007. The Company's working capital as at December 31, 2007 was \$2,192,892 (June 30, 2007 - \$1,154,703). The increase of working capital and cash was due to the funds received pursuant to the closing of a non-brokered private placement for gross proceeds of \$1,150,358 (\$1,075,000 CDN), the exercise of warrants (\$34,595) and the exercise of options (\$147,350). These cash inflows were offset with the cash used for exploration activities of \$165,268, purchase of computer equipment and software of \$5,678 and operating activities of \$59,726.

With the current working capital balance of approximately \$2.2 million, the Company has sufficient funds for the advancement of both the gold and rare earth element projects in Wyoming, complete programs planned for the upcoming calendar year, as well as for general corporate expenditure purposes. The Company expects to receive additional funding from the exercise of its warrants and options expiring in 2008.

**Capital Resources**

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

	No. of Common Shares Issued	Share Capital Amount
June 30, 2007	21,704,389	\$ 4,973,386
December 31, 2007	23,182,556	\$ 6,407,896
February 15, 2008	23,222,556	\$ 6,432,896

During the six months ended December 31, 2007, 46,667 warrants and 356,500 options were exercised, 725,000 options were granted and 537,500 warrants were issued.

As at December 31, 2007, the Company had 2,451,000 stock options outstanding with exercise prices ranging from \$0.25 CDN to \$1.00 CDN expiring from October 31, 2008 to October 15, 2012. Subsequently, another 20,000 stock options were exercised at prices ranging from \$0.35 CDN to \$0.55 CDN. If all the

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remaining outstanding options were exercised, the Company's available cash would increase by \$1,451,300 CDN.

As at December 31, 2007, the Company had 657,516 warrants outstanding issued in connection with the September 2006 private placement at a price of \$0.75 CDN and 537,500 warrants outstanding issued in connection with the November 2007 private placement at a price of \$1.35 CDN. Subsequently, 20,000 warrants at a price of \$0.75 CDN were exercised. If the remaining outstanding warrants were exercised, the Company's available cash would increase by \$1,203,762 CDN.

Contributed surplus was \$278,704 as at December 31, 2007 (June 30, 2007 - \$240,729). The increase in contributed surplus represents the fair value of vested stock options granted to officers, directors, and consultants of the Company during the six months ended December 31, 2007, less the fair value of the stock options exercised during the period.

The deficit was \$3,532,942 as at December 31, 2007 (June 30, 2007 - \$3,269,509). The increase is the result of the net loss of \$263,433 for the six months ended December 31, 2007.

**Potential environmental contingency**

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. The ultimate amount of reclamation and other future site restoration costs to be incurred for existing mining interests is uncertain.

The Company maintains a website at [www.rareelementresources.com](http://www.rareelementresources.com).

**Transactions with Related Parties**

During the six months ended December 31, 2007, \$47,891 (2006 - \$37,193) was charged for management fees by a private company controlled by the former president. As at December 31, 2007, \$Nil (June 30, 2007 - \$Nil) was owed to this private company.

During the six months ended December 31, 2007, \$25,500 (2006 - \$Nil) was charged for management fees by the president. As at December 31, 2007, \$8,500 (June 30, 2007 - \$Nil) was owed.

During the six months ended December 31, 2007, \$53,232 (2006 - \$49,729) was charged by a private company controlled by one of the directors for accounting, administrative fees and rent. As at December 31, 2007, \$7,353 (June 30, 2007 - \$8,257) was owed to this private company.

Related party transactions are measured at the fair value amount as determined by management. The amounts bear no interest and are unsecured with no repayment terms.

**Subsequent Event**

In January 2008, the Company received \$1,500 CDN for the sale of Kipawa property.

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**Internal Controls over Financial Reporting**

*Changes in Internal Control Over Financial Reporting (“ICFR”)*

No changes occurred in the current period that have materially affected, or are reasonably likely to materially affect, the Company’s ICFR.

**Risks and Uncertainties**

The Company’s financial success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of exploring its properties.

The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company’s mineral-exploration activities will be successful. The development of mineral resources involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome.

The exploration of mineral resources on federal lands in the United States is subject to a comprehensive review, approval and permitting process that involved various federal, state and local agencies. There can be no assurance given that the required approvals and permits for a mining project, if technically and economically warranted, on the Company’s claims can be obtained in a timely or cost-effective manner.

All of the Company’s short- to medium-term operating and exploration cash flow must be derived from external financing. Actual funding may vary from what is planned due to a number of factors including the progress of exploration on its current properties. Should changes in equity-market conditions prevent the Company from obtaining additional external financing, the Company will need to review its exploration-property holdings to prioritize project expenditures based on funding availability.

The Company competes with larger and better-financed companies for exploration personnel, contractors and equipment. Increased exploration activity has increased demand for equipment and services. There can be no assurance that the Company can obtain required equipment and services in a timely or cost-effective manner.

The Company’s operations in the United States and financing activities in Canada make it subject to foreign-currency fluctuations and such fluctuations may materially affect its financial position and results.

**Outlook**

The Company commenced the 2007 rare-earth exploration program for the Bear Lodge Project in June of 2007 and will focus on four targets for its coming 2008 exploration program. Drilling was targeted to hit known REE-bearing carbonatite dikes of the Bull Hill Southwest target with the first two holes, and to test suspected dikes of the Bull Hill Northwest target area with the third hole. The Company believes that rare-earth-element deposits have potential economic importance as various modern-day technologies become more widely commercialized and REE demand continues increasing.

Other metals occur on the Company’s Bear Lodge property. Previous gold exploration has identified numerous geochemical gold anomalies and occurrences in intrusive breccia bodies and has tested a number of targets with widespread drill holes. The Company intends to take advantage of the exploration potential for gold and other metals through the option/joint venture Agreement presently in effect with Newmont. The

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Newmont gold-exploration venture provides the Company with further options to increase the value of the Company and to advance its programs to evaluate both the gold and REEs of the Bear Lodge property.

The Company will receive assays for the latest REE drilling in the next few days. Metallurgical testing on the REE-bearing core samples produced during 2007 is underway. A Geographic Information System (GIS) is being established for all the technical data on the project area. The Company continues to work towards producing a NI 43-101-report, which will include a REE resource estimate.

**Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents file in SEDAR ([www.SEDAR.com](http://www.SEDAR.com)). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

**Forward Looking Statements**

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by our use of certain terminology, including “will”, “believes”, “may”, “expects”, “should”, “seeks”, “anticipates” or “intends” or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company’s business model; future operations, products and services; the impact of regulatory initiatives on the Company’s operations; the size of and opportunities related to the market for the Company’s products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Forward-looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.