

Consolidated Financial Statements
(Expressed in Canadian dollars)

WESTERN GEOPower CORP.

Unaudited Interim Financial Statements
For the six months ended June 30, 2006 and 2005

These interim consolidated financial statements have been prepared by management and have not been reviewed by the Company's auditors.

WESTERN GEOPOWER CORP.

Consolidated Balance Sheets
(Expressed in Canadian dollars)

	June 30, 2006 (Unaudited)	December 31, 2005 (Audited)
Assets		
Current assets:		
Cash and short-term investments (note 3)	\$ 1,019,954	\$ 107,417
Amounts receivable	6,547	6,035,513
Prepaid expenses and deposits	121,586	96,230
	<u>1,148,087</u>	<u>6,239,160</u>
Equipment	213,234	240,389
Geothermal property (note 4)	31,144,775	30,728,270
Reclamation deposit (note 4)	150,000	150,000
Deferred finance fee (note 5)	72,206	150,000
	<u>\$ 32,728,302</u>	<u>\$ 37,507,819</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 108,908	\$ 2,297,293
Short term debt (note 5)	1,000,000	3,000,000
	<u>1,108,908</u>	<u>5,297,293</u>
Long term debt (note 6)	833,078	833,078
Provision for site reclamation and closure costs (note 8)	560,458	533,770
Future income taxes	5,739,869	3,586,897
	<u>8,242,313</u>	<u>10,251,038</u>
Shareholders' equity:		
Share capital (note 9)	31,773,769	33,926,741
Contributed surplus (note 10)	6,278,997	5,405,958
Deficit	(13,566,777)	(12,075,918)
	<u>24,485,989</u>	<u>27,256,781</u>
	<u>\$ 32,728,302</u>	<u>\$ 37,507,819</u>

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

Kenneth MacLeod Director

John Copeland Director

WESTERN GEOPOWER CORP.

Consolidated Statements of Operations and Deficit

(Expressed in Canadian dollars)

Six months ended June 30, 2006 and 2005 and three months ended June 30, 2006 and 2005

	Three months ended June 30,		Six months ended June 30,	
	2006 (unaudited)	2005 (unaudited)	2006 (unaudited)	2005 (unaudited)
Expenses:				
Advertising and promotion	10,568	342,837	19,402	379,090
Amortization and accretion	16,635	15,715	33,271	31,431
Consulting and advisory fees	33,151	58,496	52,604	85,541
General and administration	42,986	59,083	76,621	112,875
Directors' fees (note 7)	15,000	7,500	22,500	15,000
Interest and bank charges, net	30,423	112,083	70,423	196,724
Financing costs (note 4)	39,112	320,031	77,794	380,031
Management fees (note 7)	22,500	67,500	45,000	135,000
Professional fees	33,916	54,256	44,241	72,987
Regulatory fees, transfer agent and shareholder communications	25,601	39,567	39,321	60,919
Rent	9,390	6,399	15,812	12,798
Salaries	79,305	139,102	162,426	307,212
Travel & related	39,557	49,949	41,117	69,248
Stock-based compensation (note 9(e))	-	-	809,677	-
Loss before the undernoted	(398,144)	(1,272,518)	(1,510,209)	(1,858,856)
Interest income	11,316	29,789	19,350	51,982
Loss for the period	(386,828)	(1,242,729)	(1,490,859)	(1,806,874)
Deficit, beginning of period	(13,179,949)	(9,486,919)	(12,075,918)	(8,922,774)
Deficit, end of period	\$ (13,566,777)	\$ (10,729,648)	\$ (13,566,777)	\$ (10,729,648)
Basic and diluted loss per share	\$ (0.004)	\$ (0.04)	\$ (0.017)	\$ (0.06)
Weighted average number of shares outstanding	88,106,875	31,160,206	88,012,952	31,160,206

See accompanying notes to the consolidated financial statements.

WESTERN GEOPower CORP.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

Six months ended June 30, 2006 and 2005 and three months ended June 30, 2006 and 2005

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash provided by (used in):				
Operations:				
Loss for the period	\$ (386,828)	\$ (1,242,729)	\$ (1,490,859)	\$ (1,806,874)
Items not involving cash:				
Amortization and accretion	16,635	15,715	33,271	31,431
Amortization of deferred financing costs	39,112	320,031	77,794	380,031
Stock-based compensation	-	-	809,677	-
Changes in non-cash operating working capital				
Amounts receivable	(286)	(14,699)	104,265	233,159
Prepaid expenses and deposits	(27,041)	(14,202)	(25,356)	15,543
Accounts payable and accrued liabilities	20,746	(17,096)	(454,680)	(1,199,916)
	(337,662)	(952,980)	(945,888)	(2,346,626)
Investments:				
Geothermal property costs, net of accounts payables and accrued liabilities	(135,862)	(5,863,051)	(1,954,296)	(10,478,914)
Geothermal Lease	(111,980)	-	(111,980)	-
Purchase of equipment		(87,472)	-	(105,907)
	(247,842)	(5,950,523)	(2,066,276)	(10,584,821)
Financing:				
Cash proceeds received from issuance of shares	-	7,030,783	5,924,701	6,830,545
Short term loan (repayment)	-	-	(2,000,000)	4,000,000
	-	7,030,783	3,924,701	10,830,545
Increase (decrease) in cash	(585,504)	127,280	912,537	(2,100,902)
Cash, beginning of period	1,605,458	854,302	107,417	3,082,484
Cash, end of period	\$ 1,019,954	\$ 981,582	\$ 1,019,954	\$ 981,582
Cash	\$ 1,019,954	\$ 981,582	\$ 1,019,954	\$ 981,582
Restricted cash (note 3)	-	2,000,000	-	2,000,000
Cash and short-term investments	\$ 1,019,954	\$ 2,981,582	\$ 1,019,954	\$ 2,981,582
Supplementary cash flow information				
Interest paid	\$31,514	\$119,671	\$70,423	\$188,055
Interest received	11,316	29,789	19,350	51,982
Non-cash financing and investing activities:				
Stock-based compensation capitalized	-	-	63,362	-
Amortization of equipment capitalized	10,286	12,309	20,572	20,587

See accompanying notes to the consolidated financial statements

WESTERN GEOPOWER CORP.

Notes to Consolidated Financial Statements
(Expressed in Canadian dollars)

Six months ended June 30, 2006

1. Nature of operations:

Western GeoPower Corp. (the "Company") is incorporated under the laws of British Columbia. The Company amended its Articles on June 21, 2005, to continue under the Business Corporations Act.

The Company is in the process of developing the South Meager Geothermal Project, held under a geothermal lease issued for the commercial production of electricity, and has not yet determined the economic viability of the project. The project is located approximately 170 km north of Vancouver, Canada. The underlying value of the geothermal property and the recoverability of the related deferred costs is entirely dependent on the existence of an economic project and the Company's ability to obtain the necessary financing to complete development, to achieve future profitable production and to secure and maintain the appropriate permits, rights and beneficial interest in the property.

These financial statements have been prepared on the basis that the Company will continue as a going concern. At June 30, 2006, the Company had working capital of \$39,177. Management recognizes that the Company will need to generate additional financial resources in order to meet its planned business objectives. However, there can be no assurances that the Company will continue to obtain additional financial resources and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis.

2. Significant accounting policies:

(a) Basis of presentation:

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. They include the accounts of the Company and its wholly-owned subsidiary, Meager Creek Development Corporation. All material intercompany transactions and balances have been eliminated on consolidation. The interim consolidated financial statements have been prepared following the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2005. The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2005. In the opinion of management, all adjustments necessary for fair presentation have been included in these consolidated financial statements.

(b) Asset retirement obligations:

Under CICA's Handbook Section 3110, "*Asset Retirement Obligations*", future costs to retire an asset, including remediation and ongoing treatment and monitoring of the site, have been recognized and recorded as a liability at fair value. The liability is accreted over time through periodic charges to operations. The asset retirement cost is capitalized as part of the asset's carrying value and amortized over the asset's useful life. Future asset retirement obligations are not recorded where timing or amount of the remediation costs cannot be reasonably estimated.

WESTERN GEOPOWER CORP.

Notes to Consolidated Financial Statements
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Six months ended June 30, 2006

2. Significant accounting policies (continued):

(c) Stock-based compensation and other stock-based payments:

The Company has a stock option plan that is described in note 10(e). The Company records all stock-based payments granted on or after January 1, 2002 using the fair value method. Under the fair value method, stock-based payments for employees are measured at the fair value on the date of grant and stock-based payments to non-employees are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. The significant areas requiring the use of management estimates is recoverability of the geothermal property costs, determination of reclamation obligations, valuation allowance for future income taxes and assumptions used for purposes of estimating the fair value of stock options granted. Actual results may differ from those estimates.

(e) Adoption of new accounting standards:

Effective January 1, 2005, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 15, "*Consolidation of Variable Interest Entities*" ("AcG-15") on a prospective basis. AcG-15 prescribes the application of consolidation principles for entities that meet the definition of a variable interest entity ("VIE"). An enterprise holding other than a voting interest in a VIE could, subject to certain conditions, be required to consolidate the VIE if it is considered its primary beneficiary whereby it would absorb the majority of the VIE's expected losses, receive the majority of its expected residual returns, or both. The adoption of this new standard had no effect on the consolidated financial statements as management has determined the Company does not have any VIE's.

3. Restricted cash:

During 2004, the Company entered into an agreement with a drilling contractor whereby the Company granted the contractor a \$2,000,000 letter of credit as guarantee of payment to the contractor for services to be rendered. The Company pledged a \$2,000,000 term deposit as security for this letter of credit. During the year ended December 31, 2005, the contractor exercised the letter of credit and the amount was applied to current billings. No letter of credit is outstanding at June 30, 2006.

4. Geothermal property:

The Company holds two licenses of occupation granted by the British Columbia Ministry of Energy and Mines giving surface tenure to property at Meager Creek, both of which are in good standing. One license is for a term of 26 years expiring December 17, 2017 and the other license is for a term of 10 years expiring June 30, 2007. Additionally, the Company holds a geothermal lease granted by the British Columbia

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Notes to Consolidated Financial Statements
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Six months ended June 30, 2006

4. Geothermal property (continued):

Ministry of Energy and Mines in respect of certain property at Meager Creek, also expiring December 17, 2017.

The total area under the geothermal lease with the British Columbia Ministry of Energy and Mines is 4,267 hectares. An annual rental payment in the amount of \$42,670 is required to maintain the rights granted by the geothermal lease. The license and lease are recorded in the accounts at a nominal value of \$1.

Expenditures incurred on the geothermal property are as follows:

	June 30, 2006	December 31, 2005
Balance, beginning of year:	\$ 30,728,270	\$ 17,994,502
Costs incurred during the year:		
Lease permits and occupancy	-	43,045
Project management	88,000	257,869
Camp office and administration	43,599	276,734
Well design and drilling program	-	-
Resource delineation	-	4,921
Drilling and testing	66,064	11,588,380
Drill site construction and expansion	-	13,072
New road construction and upgrade	-	-
Road maintenance and snow removal	3,410	165,069
Community stakeholder relations	22,708	134,449
Environmental review	17,382	98,105
Stock-based compensation (note 10(f))	63,362	58,622
Future income taxes on stock-based compensation and capital asset amortization	-	52,326
Provision for site reclamation and closure costs (note 9)	-	41,176
Total for South Meager Geothermal Project	304,525	12,733,768
Geothermal Lease – Unit 15	111,980	-
Balance, end of period	\$ 31,144,775	\$ 30,728,270

The Geothermal Act of British Columbia provides for an undefined royalty payable to the Crown, therefore the geothermal lease includes a clause that may provide for a royalty agreement if electricity is produced from the geothermal lease and sold. The amount of such royalties, if any, is subject to negotiation.

In addition, the geothermal lease is subject to a royalty of 5% of the net proceeds received from the sale of electrical power produced from the geothermal lease, after deducting operating costs and capital expenditures. A total of 1.25% of this royalty is payable to a company controlled by the family of a former director of the Company.

The Company is contingently liable for the site restoration of the geothermal property under the regulations of the Petroleum and Natural Gas Act (the "Act") of the Province of British Columbia.

The required deposit under the Act is supported by a term deposit held by the Company in the amount of \$150,000. The Company recorded an increase of \$41,176 for the year ended December 31, 2005 to the provision for site reclamation and closure costs to reflect the additional estimated future costs as a result of drilling in 2005 (note 8).

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Notes to Consolidated Financial Statements
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Six months ended June 30, 2006

4. Geothermal property (continued):

On June 20, 2006, the Company announced the acquisition of a geothermal lease for Unit 15 Steam Field covering 421 acres within The Geysers Geothermal Field in Northern California. The lease grants the Company the right to re-develop the geothermal reservoir and build a new plant for electricity generation. An annual rental payment in the amount of USD 100,000 is required to maintain the rights granted by the geothermal lease.

5. Short term debt:

On February 4, 2005, the Company entered into a \$4,000,000 standby credit facility with Quest Capital Corp. ("Quest"), to ensure an uninterrupted continuation of the project activities while the Company secured a financing. In consideration of the facility, Quest received 436,363 common shares of the Company. The loan of \$4,000,000 was due October 4, 2005, and bears interest at a rate of 12% per annum, compounded monthly. On April 22, 2005 the due date of the loan was extended to December 15, 2005 and in consideration for the extension of the loan the Company issued 377,992 common shares of the Company. The value assigned to the shares issued were initially recorded as deferred financing costs and amortized over the term of the debt to finance costs. During the year ended December 31, 2005, the Company recorded total finance costs related to the cost of the shares issued to Quest in the amount of \$752,104 (2004 - nil). In addition the Company recorded interest expense paid on the loan in the amount of \$430,091 (2004 - nil).

On December 30, 2005, the Company modified the agreement with Quest, to provide for the repayment of \$3,000,000 of the principal amount of the loan, as at the closing of the financing, and the extension of the maturity date in respect of the remaining \$1,000,000 principal amount of the loan to December 15, 2006. On January 17, 2006, in consideration for the extension of the term of the loan Quest received a non-refundable bonus in the amount of \$150,000 payable in the form of 1,000,000 common shares.

On December 30, 2005, the Company issued 6,666,667 Units to Quest Capital in the financing at \$0.15 for cash proceeds of \$1,000,000. The proceeds were applied to the loan, leaving a balance of \$3,000,000 due to Quest at December 31, 2005. On January 9, 2006, the Company repaid an additional \$2,000,000 plus interest raised from the December 30, 2005 financing.

In connection with the standby credit facility, the Company granted Quest a first mortgage charge over its geothermal property, pledged all shares of Meager Creek Development Corporation and issued Quest a general security agreement over all assets of the Company.

The cost of the shares issued on January 17, 2006 in consideration for the extension of the loan is amortized over the remaining term of the debt to financing costs. During the six months ended June 30, 2006, the Company recorded financing costs related to the debt in the amount of \$77,794 (2005 - \$380,031). In addition the Company recorded interest expense paid on the loan in the amount of 70,423 (2005 - \$188,058).

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Six months ended June 30, 2006

6. Long term debt:

Pursuant to a share purchase agreement dated September 3, 2003, Crew Development Corporation ("Crew"), the Company's controlling shareholder at that time, sold the common shares of the Company that it held, to the Company's president and director, and cancelled debt owed by the Company to Crew in the amount of \$557,647 (the "Cancelled Debt"). The Cancelled Debt consisted of promissory notes bearing interest at 8% which were due on demand, and working capital advances and reimbursement of administrative expenses charged to the Company by Crew, which were non-interest bearing and due on demand. Because this was a transaction with the Company's controlling shareholder, the Cancelled Debt has been recorded as contributed surplus. Crew also agreed to defer payment to December 31, 2011 of additional debt owed to Crew by the Company's subsidiary in the amount of \$833,078 (the "Additional Debt"). Interest, which is to be calculated at the Royal Bank of Canada's prime rate, will only accrue on the Additional Debt from the earlier of 90 days following the issuance of a certificate by the appropriate provincial regulatory authorities to permit the development of a geothermal resource on the Company's geothermal property, or December 31, 2007. At the option of the Company, earlier payment is permitted.

7. Related party transactions:

In addition to related party transactions disclosed elsewhere in these financial statements, the following is a summary of amounts charged by officers, directors and by companies controlled by directors:

	June 30, 2006	December 31, 2005
Management fees (a)	\$ 90,000	\$ 322,500
Consulting fees (b)	22,604	55,578
Directors' fees	22,500	25,000

(a) \$45,000 (December 2005 - \$90,000) of management fees is included in geothermal property costs; and

(b) Nil (December 2005 - \$35,000) in consulting fees were paid to an officer of the Company and \$22,604 (December 2005 - \$20,578) in advisory fees were paid to a director of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Provision for site reclamation and closure costs:

	June 30, 2006	December 31, 2005
Balance, beginning of period	\$ 533,770	\$ 445,941
Additional liabilities incurred	-	41,176
Accretion expense	26,688	46,653
Balance, end of period	\$ 560,458	\$ 533,770

WESTERN GEOPOWER CORP.

Notes to Consolidated Financial Statements
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Six months ended June 30, 2006

8. Provision for site reclamation and closure costs (continued):

The Company's provision for future site reclamation and closure costs is based on known federal and local laws and regulations concerning environmental requirements. It is not currently possible to estimate the impact on financial results, if any, of future legislative or regulatory developments. The estimated obligation was based on undiscounted estimated cash flows required to settle the obligation.

Assumptions used in the determination of the site reclamation and closure liabilities include estimated undiscounted costs of \$1,414,788 to be expended from 2007 to 2017 of which \$132,918 is to be expended by December 31, 2007, a discount rate of 10% to 12% and inflation factor of 2.0%.

9. Share capital:

(a) Authorized: Unlimited common shares without par value.

During the year ended December 31, 2005, the Company increased the authorized share capital from 300,000,000 to unlimited as approved by the shareholders at the Annual General Meeting held June 9, 2005.

(b) Issued and to be issued:

	Number of shares	Amount
Balance, December 31, 2003	17,947,660	\$ 7,041,507
Receipt of subscriptions held in trust	-	60,000
Issued for cash on private placement, net of issuance costs	1,643,833	1,877,596
Issued for cash on private placement, net of issuance costs	8,108,108	13,761,599
Issued for cash on exercise of stock options	10,000	24,000
Future income tax effect of renouncing flow through share proceeds expended (note 9(c))	-	(384,543)
Balance, December 31, 2004	27,709,601	22,380,159
Issued for cash on private placement, net of issuance costs	7,302,322	6,830,515
Issued as compensation for private placement, net of issuance costs	441,700	-
Issued for cash on private placement, net of issuance costs (note 9(b)(i))	48,370,834	6,922,103
Issued as compensation for private placement,	2,468,133	-
Issued in consideration of fees for short term debt (note 5)	814,285	752,104
Future income tax effect of renouncing flow-through share proceeds expended (note 9(c))	-	(3,108,140)
Issued, December 31, 2005	87,106,875	33,776,741
Issued in consideration of fees for short term debt (note 5)	1,000,000	150,000
Future income tax effect of renouncing flow-through share proceeds expended (note 9(c))	-	(2,152,972)
Balance, June 30, 2006	88,106,875	\$ 31,773,769

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Notes to Consolidated Financial Statements
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Six months ended June 30, 2006

9. Share capital (continued):

(b) Issued and to be issued (continued):

(i) On December 30, 2005, the Company closed a \$6,255,625 brokered private placement and a \$1,000,000 financing with Quest Capital for total gross proceeds of \$6,922,103. The Company issued 2,345,500 flow-through shares and 46,025,344 non-flow through units, each priced at \$0.15 and are subject to a hold period expiring May 1, 2006. Each unit is comprised of one share and one warrant to purchase one additional common share at an exercise price of \$0.25 per share until December 30, 2008. In connection with the private placement \$206,218 was paid as commissions to sub-agents and \$127,304 was paid for legal and underwriting expenses and the agents received 2,468,133 Units at a price of \$0.15 per unit as compensation. In addition, agents options to purchase an aggregate of 4,170,417 Units priced at \$0.15 for a period of three years, have been granted to the agents. Each agents unit is comprised of one share and one warrant to purchase one additional common share at an exercise price of \$0.25 per share until December 30, 2008. The fair value of these options was estimated to be \$840,034 and has been included on a net basis in share capital. The \$1,000,000 proceeds from Quest's participation in the financing were applied to the short term loan due to Quest (note 5). At December 31, 2005, \$5,924,701 of the proceeds from the financing were outstanding, and are included in accounts receivable. These funds were received and deposited on January 6, 2006.

(c) Flow-through shares:

During the year ended December 31, 2005, the Company issued 8,655,500 (2004 - 4,927,783) flow-through shares for gross proceeds of \$6,661,825 (2004 - \$9,116,399), of which \$6,310,000 (2004 - \$9,109,437) had been expended by December 31, 2005. The expenditures related to the use of flow-through shares proceeds are recorded in geothermal property but are not available as a tax deduction to the Company as the tax benefits of these expenditures have been renounced to the shareholders.

During the three months ended March 31, 2006, the Company renounced the flow through share proceeds received in 2005 and expended in 2005, and recorded a future income tax liability of \$2,152,972 (relating to the \$6,310,000 in flow through proceeds in 2005). In 2005, the Company renounced the flow through share proceeds received in 2004 and expended in 2004, and recorded a future income tax liability of \$3,108,140 related thereto. In 2004, the Company renounced the \$1,122,240 of flow-through share proceeds received in 2003 and expended in 2004, and recorded a future income tax liability of \$384,543 related thereto.

(d) Stock options:

The Company has a share option plan approved by the shareholders that allows it to grant incentive stock options for the purchase of common shares of the Company to persons in consideration for services. Stock options must be non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting and may not exceed 5% to any individual (maximum of 2% to any consultant). The exercise price of stock options is determined by the Board of Directors of the Company at the time of grant, but cannot be less than market price, less permissible discounts, on the

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Notes to Consolidated Financial Statements
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Six months ended June 30, 2006

9. Share capital (continued):

TSX Venture Exchange. Options have a maximum term of five years and terminate 90 days following the termination of the optionee's employment, except in the case of retirement, death or disability, in which case the options terminate one year after the event. Vesting of options is made at the time of granting of the options at the discretion of the Board of Directors. Once approved and vested, options are exercisable at any time.

The continuity of the Company's stock options for period ended June 30, 2006, all of which are exercisable at June 30, 2006, is as follows:

Exercise price	Expiry date	Balance				Balance June 30, 2006
		December 31, 2005	Granted	Exercised	Forfeited	
\$0.35	October 17, 2008	40,000	-	-	-	40,000
\$0.35	January 20, 2009	75,000	-	-	-	75,000
\$0.35	March 16, 2009	25,000	-	-	-	25,000
\$0.35	May 4, 2009	175,000	-	-	-	175,000
\$1.85	May 4, 2007(ii)	567,568	-	-	-	567,568
\$1.00	April 22, 2008 (i)	511,163	-	-	-	511,163
\$0.35	September 16, 2010	1,665,000	-	-	-	1,665,000
\$0.15	December 30, 2008 (i)	4,170,417	-	-	-	4,170,417
\$0.22	February 17, 2011	-	5,130,000	-	-	5,130,000
\$0.28	March 31, 2011	-	300,000	-	-	300,000
		7,229,148	5,430,000	-	-	12,659,148
Weighted average exercise price		\$0.46	\$ 0.22	-	-	\$0.36
Contractual weighted average remaining life (years)		3.20				3.53

(i) 4,681,580 of the new grants were Agents options granted to the agents for private placements.

(ii) 567,568 of the new grants were agents options granted to the agents for the private placement in 2004.

On February 17, 2006, the Company granted 5,130,000 stock options to directors, officers and employees at the market close on February 17, 2006 of \$0.22 per share for a period of five years under the stock option plan.

On March 31, 2006, the Company granted 300,000 stock options to a newly appointed director at the market close on March 31, 2006 of \$0.28 per share for a period of five years under the stock option plan.

(e) Stock-based compensation:

During the three months ended March 31, 2006, the Company granted 5,430,000 shares to purchase options to directors, employees and consultants. The weighted average fair value of options granted being \$0.16 (March 31, 2005 - Nil) per option, was estimated using the Black-Scholes option pricing model with the following assumptions; risk free interest rate of 4.11%; expected dividend yield of 0%; volatility factor of 90.65% and an expected life of 5 years. Under this method of calculation, the fair

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Six months ended June 30, 2006

9. Share capital (continued):

value of all options granted during the three months ended March 31, 2006 amounted to \$873,039, of which \$63,362 has been capitalized as geothermal property cost and \$809,678 has been reflected in the statement of operations.

(f) Share purchase warrants:

At March 31, 2006, the Company had a total of 52,666,114 share purchase warrants outstanding comprised of:

- 3,180,325 warrants at an exercise price of \$2.50 per share and an expiry date of May 4, 2007
- 302,322 warrants at an exercise price of \$1.20 per share and an expiry date of April 5, 2008.
690,000 warrants at an exercise price of \$1.20 per share and an expiry date of April 22, 2008
- 48,493,467 warrants at an exercise price of \$0.25 per share and an expiry date of December 30, 2008

10. Contributed surplus:

Balance, December 31, 2003	\$ 1,549,897
Adjustment on adoption of new accounting standard for stock-based compensation	307,400
Fiscal 2003 stock-based compensation that vested in 2004	442,600
Fiscal 2004 stock-based compensation	2,699,861
Stock options exercised, credited to share capital	(12,000)
<hr/>	
Balance, December 31, 2004	4,987,758
Fiscal 2005 stock-based compensation	418,200
<hr/>	
Balance, December 31, 2005	\$ 5,405,958
Stock-based compensation for the three months ended March 31, 2006	873,039
<hr/>	
Balance, June 30, 2006	\$ 6,278,997

11. Segmented information:

The Company is engaged in one business and geographic segment - the development of a geothermal property for the commercial production of electricity in British Columbia, Canada, and United States.

12. Commitments:

The Company entered into a new lease for its corporate office effective August 1, 2006 and has minimum commitments related thereto of \$55,741 from August 1, 2006 to July 31, 2007; \$57,889 from August 1, 2007 to July 31, 2008.



Management's Discussion and Analysis

For the six months ended June 30, 2006

(The interim Management Discussion and Analysis
have been prepared by Management and have not
been reviewed by the Company's auditors)

WESTERN GEOPOWER CORP.

Management's Discussion and Analysis
For the six months ended June 30, 2006
(Expressed in Canadian dollars)

Effective Date

The following Management's Discussion and Analysis of Western GeoPower Corp., (the "Company") dated as at August 24, 2006, should be read in conjunction with the audited consolidated financial statements including the notes thereto for the years ended December 31, 2005 and the unaudited consolidated financial statements for the six months ended June 30, 2006. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are expressed in Canadian dollars.

Forward looking statements

This discussion includes certain statements that may be deemed "forward looking statements", that reflect the Company's expectations and projections about its future results. The Company has tried whenever possible, to identify these forward-looking statements using words such as "anticipates," "believes," "estimates," "expects," "plans," "intends," "potential," and similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The Company disclaims any obligation or intention to update or to revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Company Overview

Western GeoPower Corp is a renewable energy company dedicated to the development of geothermal energy projects for the delivery of clean, base-load electricity generation. The Company holds 100% interests in the South Meager Geothermal Project in British Columbia, Canada and a geothermal lease in Unit 15 Steam Field located in The Geysers Geothermal Field in California, United States. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Quebec and trades on the TSX Venture Exchange under the symbol WGP; and on the NOTC: WGEO; Frankfurt WE6.F.

Project Update; South Meager Geothermal Project

The South Meager Geothermal Project, is located 170km north of Vancouver, Canada. The project is held under the only geothermal lease issued in Canada for the commercial generation of electricity and has been extensively explored and evaluated. The Company is currently conducting a resource confirmation program (drilling; well testing and evaluation) on the project to determine its economic viability.

The Company completed three full-diameter rotary (directional) resource confirmation wells at the South Meager Geothermal Project in 2004/05. Results from testing conducted immediately following drilling indicated that the wells were cooled substantially during drilling and the initial injection testing

to evaluate the permeability characteristics of the wells. Subsequent temperature surveys, after the wells were shut in and allowed to heat up and recover, have confirmed that all three wells encountered high temperatures. Additional injection testing has demonstrated permeability at depth in the fractured intrusive (quartz diorite) and meta-sedimentary reservoir rocks in two of the wells (MC-6, and MC-8); permeability in MC-7 appears to be limited.

Well MC-6 was completed in November 2004, to a total drilled depth of 2,662 meters; the well currently has a maximum measured temperature of 262°C, at a depth of 2,632 meters. Step-rate injectivity tests indicate that the well encountered permeable formations over an interval from about 1,900 meters to approximately 2,500 meters.

Well MC-7 was completed in February 2005 and reached a total drilled depth of 3,291 meters. Temperature surveys carried out in May 2005 recorded a maximum temperature of 252°C at a depth of 2,900 meters. The well encountered few fractures and only isolated losses of circulation during drilling.

Well MC-8 was completed in June 2005, to a total drilled depth of 2,380 meters. The well intersected some fractures from 2,090 meters to 2,175 meters, and encountered a highly fractured interval, with substantial losses of circulation, below 2,345 meters to total depth at 2,380 meters. MC-8 was still heating when site operation had to be suspended for the winter; a temperature survey in November 2005 recorded maximum temperature in the well on the order of 240°C.

Testing of the resource confirmation wells is incomplete at this time and has not yet demonstrated the production capacities of the wells. Over the past few months the Company has performed a new set of temperature surveys. Data from the latest surveys have now been analyzed by GeothermEx, Inc., of Richmond, California, technical consultant for the South Meager project.

The surveys show that the wells have continued to heat up in comparison to surveys last November. MC-6 continues to recover from the extended injection test of 2005 and is expected to recover to stabilized temperatures in the range of 245 to 260 degrees Celsius (473 to 500 degrees Fahrenheit) in the permeable interval below a measured depth of 1,800 metres (5,906 feet). MC-7 has now heated to a maximum measured temperature of 259 degrees Celsius (498 degrees Fahrenheit) at a depth of 2,800 metres (9,186 feet). MC-8 also has continued to heat up in comparison to surveys last November, but has not yet reached a temperature at which the well is likely to sustain self-flow. Because wells MC-6 and MC-8 are still recovering in temperature, GeothermEx has advised that it would be premature to proceed with testing at the present time. For this reason, the Company is electing to defer a planned program of air-lifting to flow test the wells until further temperature recovery occurs. The Company plans to continue periodic temperature surveys in the wells at South Meager to determine the optimal time for flow testing. The Company remains committed to continuing its efforts to demonstrate the commercial viability of the high temperature geothermal resource at South Meager, for planned electric power generation.

Unit 15 – The Geysers

On June 20, 2006 the company announced the acquisition of a geothermal lease for the Unit 15 Steam Field covering 421 acres within The Geysers Geothermal Field in Northern California. The lease grants the Company the right to re-develop the geothermal reservoir and build a new plant for electricity generation.

“The Unit 15 acquisition complements our Company’s strategy to increase shareholder value through the acquisition of advanced stage projects,”

Commercial geothermal power has been generated continuously at The Geysers Field since 1960, the present generation level being about 900 megawatts. The Unit 15 leasehold is situated in the southwestern region of The Geysers Field in Sonoma County and much of the leasehold lies within the presently known boundary of The Geysers Field. A commercial power plant of 62 megawatt (gross) capacity, known as P.G. & E. Unit 15, operated at the leasehold during 1979-1989.

It is now recognized that the Unit 15 plant was oversized for the available resource. For this reason, the wells supplying the plant experienced a rapid decline in productivity, similar to the decline experienced throughout The Geysers Field at that time. The plant was shut down in 1989 and eventually dismantled, and the wells were plugged and abandoned.

Since the mid-1990s, the rate of decline in well productivity at The Geysers has eased substantially, and reservoir pressure has stabilized. In large part, this is due to increased injection into the reservoir. Reservoir pressure under the Unit 15 leasehold is believed to have recovered since the wells stopped production.

There is a demonstrated production history and a large database of resource information available from the Unit 15 leasehold, minimizing the resource-related risks of new development. The leasehold is expected to be capable of supporting a power plant of 20-25 megawatt capacity. The Company has retained GeothermEx, Inc. of Richmond, California, to provide an independent assessment of the resource.

The Unit 15 Steam Field acquisition enables Western GeoPower to establish an immediate presence in the U.S. market which continues to be the world leader in the generation of electric power from geothermal energy. The U.S. Geothermal Energy Association recorded on-line capacity of 2,828 megawatts in 2005 in the four ‘geothermal generating’ states – California, Hawaii, Nevada and Utah – with approximately 2,000 megawatts of new plant capacity currently under development in nine states.

Selected Annual Information

The following selected financial information was obtained from the audited consolidated annual financial statements of the Company for 2005, 2004 and 2003.

FOR THE YEARS ENDED DECEMBER 31	2005	2004	2003
FINANCIAL RESULTS			
INTEREST AND OTHER INCOME	\$ 234,113	\$ 181,834	\$ 1,339
NET LOSS	(3,153,144)	(5,215,578)	(1,714,456)
LOSS PER SHARE (Basic and diluted)	\$ (0.09)	\$ (0.21)	\$ (0.13)
FINANCIAL POSITION			
WORKING CAPITAL	\$ 941,867	\$ 1,930,292	\$ 3,507,975
GEOHERMAL PROPERTY	30,728,270	17,994,502	2,934,457
TOTAL ASSETS	37,507,819	24,317,178	7,303,362
LONG-TERM LIABILITIES	4,953,745	1,887,330	1,064,133

Summary Quarterly Financial Information

FISCAL QUARTER - ENDED	2 nd Quarter June 30, 2006	1 st Quarter Mar 31, 2006	4 th Quarter Dec 31, 2005	3 rd Quarter Sept 30, 2005
INTEREST AND OTHER INCOME	\$ 11,316	\$ 8,034	\$ 173,476	\$ 8,655
NET LOSS	(386,828)	(1,104,031)	(280,406)	(1,065,864)
LOSS PER SHARE	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.03)

FISCAL QUARTER - ENDED	2 nd Quarter June 30, 2005	1 st Quarter Mar 31, 2005	4 th Quarter Dec 31, 2004	3 rd Quarter Sept 30, 2004
INTEREST AND OTHER INCOME	\$ 29,789	\$ 22,193	\$ 59,068	\$ 64,101
NET LOSS	(1,242,729)	(564,145)	(758,123)	(401,449)
LOSS PER SHARE	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.01)

Results of Operations

For the six months ended June 30, 2006, the Company incurred a loss of \$ 1,490,859 (\$0.017 per share) compared to a loss of \$1,806,874 (\$0.06 per share) for the six months ended June 30, 2005.

The consolidated loss for the three and six months ended June 30, 2006 was \$386,828 (2005 - \$1.2 million) or \$0.004 (2005 - \$0.04) per share and \$1.5 million (2005 - \$1.8 million) or \$0.017 (2005 - \$0.06) per share, respectively.

Summary Data:

	Three months ended June 30, 2006	Three months ended June 30, 2005	Six months ended June 30, 2006	Six months ended June 30, 2005
Interest Income	\$ 11,316	\$ 29,789	\$ 19,350	\$ 51,982
Administrative expense	(328,609)	(842,816)	(552,315)	(1,290,767)
Financing costs	39,112	(320,031)	(77,794)	(380,031)
Interest on loan	30,423	(109,671)	(70,423)	(188,058)
Stock-based compensation expense	-	-	(809,677)	-
Loss for the period	\$ (386,828)	\$ (1,242,729)	\$ (1,490,859)	\$ (1,806,874)

A significant portion of the loss during the six months ended June 30, 2006 is a reflection of stock-based compensation expense. During the three months ended March 31, 2006, the company granted 5,340,000 stock options to directors, officers, employees and consultants. The fair value of the options granted during the period amounted to \$873,039, of which \$63,362 has been capitalized as geothermal property costs and \$809,677 has been reflected in the statement of operations. There were no options granted during the three months ended March 31, 2005; and June 30, 2006 (note 9(e)).

On December 30, 2005, the Company modified the agreement with Quest, to provide for the repayment of \$3,000,000 of the principal amount of the loan, as at the closing of the Dundee

financing, and the extension of the maturity date in respect of the remaining \$1,000,000 principal amount of the loan to December 15, 2006. On December 30, 2005, the Company issued 6,666,667 Units to Quest Capital in the financing at \$0.15 for proceeds of \$1,000,000. The proceeds were applied to the loan, leaving a balance of \$3,000,000 due to Quest at December 31, 2005. On January 9, 2006, the Company repaid an additional \$2,000,000 plus interest from the proceeds of December 2005 financing. On January 17, 2006, in consideration for the extension of the term of the loan Quest received a non-refundable bonus in the amount of \$150,000 payable in the form of 1,000,000 common shares. The cost of the shares issued, are amortized over the remaining term of the debt to financing costs. During the six months ended June 30, 2006, the Company recorded financing costs in the amount of \$77,794 (2005 - \$380,031). The financing costs incurred in 2005 were higher as the deemed value of the shares at the time the loan was granted on February 4, 2005 was higher.

In connection with the short term loan, during the six months ended June 30, 2006, the company recorded interest expense in the amount of \$70,423 (representing interest at 12% on the balance of \$1.0M short term debt). During the six months ended June 30, 2005, the interest expense related to the short term loan amounted to \$188,058. The amount of interest expense in 2005 was higher as it was on the initial loan amount of \$4.0M. The amount recorded during the quarter in 2005 represents interest expense incurred from February 4, 2005 to June 30, 2005 on \$4.0M (note 5).

During the six months ended June 30, 2006 overall expenditures decreased by \$738,452 to \$552,315 (2005 - \$1,290,767). The most significant decrease was a 87%, \$387,819 reduction in advertising and promotion and travel costs related to conferences and road shows to \$60,519 (2005 - \$448,338).

For the six months ended June 30, 2006, general and administrative expense decreased by \$36,254 (32%) to \$76,621 (2005 - \$112,875) primarily due to reduced promotions and conferences; consulting and advisory fees decreased by \$32,937 to \$52,604 (2005 - \$85,541) due to decrease in external consultants; management fees decreased by \$90,000 (67%) to \$45,000 (2005 - \$135,000) due to the retirement of the Chairman at August 31, 2005; Professional fees decreased by \$28,746 (39%) to \$44,241 (2005 - \$72,987) due to significant non-recurring legal costs in 2005 incurred on short term loan and other one time company matters. Regulatory fees decreased by \$21,598 to \$39,321 (2005 - \$60,919) due to a decrease in filing fees. Salary expense decreased by \$144,786 (47%) to \$162,426 (2005 - \$307,212) due to reduction in head office staff in the last half of 2005.

Interest income of \$19,350 for the six months ended June 30, 2006 (2005 -\$51,982) is comprised of interest earned on cash balances.

The net losses are a reflection of the Company's status as a non-revenue producing energy company. As the Company has no source of income, losses are expected to continue.

Liquidity and Capital Resources

The Company does not have any cash flow from operations. The Company receives cash for use in operations principally from issuing common shares. The Company has been successful in accessing the equity markets during the last 16 months and while there is no guarantee that this will continue to be available, management has no reason to expect that this will diminish in the immediate term.

On December 30, 2005, the Company completed a \$6,225,625 brokered private placement and a \$1,000,000 financing with Quest for total gross proceeds of \$6,922,103. The Company issued 2,345,500 flow-through shares and 46,025,344 non-flow through units, each priced at \$0.15. In connection with the private placement \$333,522 was paid as commissions, legal and underwriting

expenses. During the year ended December 31, 2005, the Company received net proceeds of \$12,752,618 from the issuance of shares of which \$5,924,701 remains in accounts receivable at December 31, 2005 and was collected on January 6, 2006. Quest's participation of \$1,000,000 was applied towards the outstanding loan, reducing the loan to \$3,000,000 at December 31, 2005. The proceeds of the financing were used to pay outstanding payables and pay down an additional \$2,000,000 plus interest to Quest subsequent to December 31, 2005, leaving a balance of \$1,000,000 outstanding on the loan on January 9, 2006. The remainder of the proceeds were used to conduct the flow-testing of the three wells and for general working capital purposes.

At June 30, 2006, the Company had working capital of \$39,177. The ongoing development of the project will require the Company to raise additional capital through equity financings.

Contractual Obligations:

Contractual Obligations:	Total	2006	2007	2008	2009 and thereafter
Long-term debt	\$ 833,078	-	-	-	\$ 833,078
Site reclamation and closure costs	560,458	-	132,918	-	1,281,870
Office lease	113,629	23,225	56,636	33,768	-

The long-term liability of \$833,078 due to Crew Development Corporation is not due until December 31, 2011. Interest will only accrue on the debt from earlier of 90 days following the issuance of a certificate by the appropriate provincial regulatory authorities in British Columbia to permit the development of the geothermal resource on the Company's lease held property, or December 31, 2007, with all interest to be calculated at the Royal Bank of Canada's prime rate.

The Company's provision for future site reclamation and closure costs is based on known federal and local laws and regulations concerning environmental requirements. It is not currently possible to estimate the impact on financial results, if any, of future legislative or regulatory developments. To the extent that the Company continues to be engaged in active exploration and development of the project, reclamation and closure costs will be deferred.

In connection with the Quest Capital loan, the Company granted Quest a first mortgage charge over its geothermal property and issued Quest a general security agreement over all assets of the Company. On December 30, 2005, the Company modified the agreement with Quest Capital, to provide for the repayment of \$3,000,000 of the principal amount of the loan and an extension of the maturity date in respect of the remaining \$1,000,000 principal amount of the loan to December 15, 2006. On January 17, 2006, in consideration of the extension, Quest received 1,000,000 common shares of the Company.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of recoverability of the geothermal property costs, the value of stock-based compensation and site reclamation and closure costs.

The Company's recoverability of the recorded value of its geothermal property costs is dependent on many factors beyond the Company's control; for instance, prices and markets for electricity, responses to changes in domestic, political, social and economic environments. The Company is

engaged in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable resources and the ability of the Company to obtain necessary financing to construct plant and transmission facilities.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors including the market value of the Company's share and financial objectives of the stock-based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes model, however the future volatility is uncertain and the model has its limitations.

The Company's provision for future site reclamation and closure costs is based on known federal and local laws and regulations concerning environmental requirements. It is not currently possible to estimate the impact on financial results, if any, of future legislative or regulatory developments. Assumptions used in the determination of the site reclamation and closure liabilities include estimated costs, a discount rate of 10% to 12% and inflation factor of 2.0%. Future asset retirement obligations are not recorded where timing or amount of the remediation costs cannot be reasonably estimated.

Disclosure controls and procedures: Management is responsible for the preparation and integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. At June 30, 2006 we have concluded that our disclosure controls and procedures were sufficiently effective to provide reasonable assurance that material information relating to the Company and its consolidated subsidiary were made known to us by others within those entities during that period.

Changes in Accounting Policy

During the first half of fiscal 2006, and subsequent up to the date of this report the Company has not instituted any changes in its accounting policies.

Related Party Transactions

During the six months ended June 30, 2006, the Company paid management fees to the President of the Company in the ordinary course of business amounting to \$90,000 (June 30, 2005 - \$90,000), of which \$45,000 (2005 - \$45,000) is included in geothermal property costs. During the six months ended June 30, 2005, the Company paid management fees to the Chairman of the Company in the ordinary course of business amounting to \$90,000 (2006 - Nil). During the six months ended June 30, 2005 \$30,000 (2006 - Nil) in consulting fees were paid to an officer of the Company and \$22,604 (2005 - \$14,550) in advisory fees were paid to a director of the Company. Board member fees were paid to directors in the amount of \$ 22,500 for the six months ended June 30, 2006 (2005- \$15,000); Effective February 1, 2006, the directors fees increased from \$500 a month to \$1,000 a month per director; In addition committee members are paid a fee of \$500 per committee meeting attended, and the chairman of the committee is paid a fee of \$1,000 per committee meeting.

Financial Instruments

The carrying value of the Company's cash, restricted cash, amounts receivable, deposits and accounts payable and accrued liabilities and short term debt approximate their respective fair values due to the short-term maturity of such instruments. The carrying value of the reclamation deposit approximates fair value due to its market based rate of interest. The fair values of amounts due to Crew Development Corporation are not readily determinable due to the absence of a market for such

instruments. In management's opinion, the Company is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

Off Balance sheet items: The Company does not have any off balance sheet items.

Outstanding Share Data:

As at June 30, 2006, there were 88,106,875 common shares outstanding. A total of 52,666,114 share purchase warrants, 5,249,148 Agents options and 7,410,000 stock options were also outstanding, which are described in detail in notes 9(b), 9(d) and 9(f) to the interim financial statements.

As at August 24, 2006, the Company's outstanding share data was as follows:

Common shares outstanding: 88,106,875

Share purchase warrants:

3,180,325 at an exercise price of \$2.50 per share and an expiry date of May 4, 2007.

302,322 at an exercise price of \$1.00 per share and an expiry date of April 5, 2008.

690,000 at an exercise price of \$1.00 per share and an expiry date of April 22, 2008.

48,493,467 at an exercise price of \$0.25 per share and an expiry date of December 30, 2008.

Stock options: 7,410,000

Agent's options: 5,249,148

Risks and Uncertainties

Geothermal resource exploration and development involves a high degree of risk. Until the balance of the development program is completed, the viability of the South Meager Geothermal Project is undetermined. The long-term success of the Company relies on various factors, such as the technical characteristics of the geothermal resource, the cost to develop the facilities, the pricing of the electricity and financing the project. Other factors include the ability of the Company to obtain and maintain appropriate licenses and permits as well as addressing environmental and aboriginal issues. The Company will require additional capital to pursue its objective of developing the South Meager Project and UNIT 15 geothermal Lease in the United States.

Additional Information

Additional information relating to the Company, including its Annual Audited Financial Statements are available on SEDAR at www.sedar.com

Disclaimer

The information contained within this discussion, by its very nature, is not a thorough summary of all matters and developments concerning Western GeoPower Corp., This information should be considered with all of the disclosure documents of the Company. The information contained herein is not a substitute for a detailed investigation or an analysis of any issue related to the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented. Further, certain data included in this document may be historical in nature. This Management's Discussion & Analysis contains certain forward-looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding the future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in Company documents filed from time to time with the regulatory authorities and on Sedar.