

NEVORO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of Nevoro Inc. (the "Corporation", formerly Denroy Resources Corporation) for the six months ended June 30, 2007. The Corporation's reporting currency is the U.S. dollar and all amounts in this MD&A are expressed in U.S. dollars. The Corporation reports its financial position results of operations and cash flows in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). This MD&A is as at August 10, 2007.

The following MD&A may contain forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual events or results to differ materially from those reflected herein. Forward-looking statements are based on the estimates and opinions of management of the Corporation at the time the statements were made.

Additional information relating to the Corporation can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the Corporation's website at www.nevoro.com

Mr. Ken Brook, RPG, is the qualified person for the purposes of the technical information contained herein, pursuant to the requirements of National Instrument 43-101.

Overview of the Six Month Period Ended June 30, 2007

During the six month period ended June 30, 2007, the Corporation completed four non-brokered private placement financings for total gross proceeds of \$9,042,675. The proceeds of these private placements will be used to explore and develop gold and precious metal exploration properties in Nevada and for working capital. Further details of these private placements can be found elsewhere in this MD&A and in the Corporation's press releases and filed documents on www.sedar.com. Following the private placements, there were 74,586,585 common shares (the "Common Shares") outstanding as at June 30, 2007 (77,252,847 on a fully diluted basis).

During the quarter ended March 31, 2007, the Corporation completed a business combination whereby the Corporation issued 24,400,000 common shares for 100% of the issued and outstanding shares of Nevoro Nevada Inc. (formerly: "Goodsprings Development Corporation") which holds interests in mineral exploration properties in the State of Nevada, USA. On February 5, 2007, the

Corporation appointed a new management team and is now focused on precious metal resource exploration and development in Nevada. Pursuant to an information circular dated April 5, 2007, and filed on www.sedar.com, the Corporation called held its annual and special meeting on May 16, 2007, at which time, amongst other matters, shareholders approved a special resolution to change the name of the Corporation to "Nevoro Inc." to reflect its focus on gold and precious metal resource exploration in Nevada. Further details of the business combination and the Corporation's activities can be found in the Corporation's press releases and filed documents on www.sedar.com.

Financings

During the quarter ended March 31, 2007, the Corporation completed the following arm's length non-brokered private placements:

- a) The first private placement consisted of the sale of 2,000,000 common shares at \$0.001 per share for total gross proceeds of \$2,000 pursuant to a non-brokered arm's length private placement. The private placement was sold to certain members of the new management team detailed below.
- b) The second private placement consisted of the sale of 2,500,000 common shares at \$0.025 per share for total gross proceeds of \$62,500 pursuant to a non-brokered arm's length private placement. The private placement was sold to a founding investor group, which included certain members of the new management team of the Corporation.
- c) The third private placement consisted of the sale of 11,025,000 common shares at \$0.05 per share for total gross proceeds of \$551,250 pursuant to a non-brokered arm's length private placement. The private placement was sold to private and institutional investors and members of the new the Board of Directors and the new management team of the Corporation.
- d) The first tranche of a fourth private placement consisted of the sale of 15,940,000 common shares at \$0.25 per share for total gross proceeds of \$3,985,000 pursuant to a non-brokered arm's length private placement. The private placement was sold to a group of private and institutional investors. Westwind Partners Inc. was paid a finder's fee consisting of 1,686,000 common share purchase warrants. Each whole warrant entitles the holder to acquire one common share for \$0.25 until February 5, 2009. An over-allotment option was also issued to acquire 1,850,000 common shares at \$0.25 per common share until June 30, 2007.
- e) The second tranche of the fourth private placement consisted of the sale of 500,000 common shares at \$0.25 per share for total gross proceeds of \$125,000 pursuant to a non-brokered arm's length private placement. The private placement was sold to a group of private investors. Haywood Securities Inc. was paid a finder's fee consisting of cash commission of

\$7,500 equal to 6% of the gross proceeds sold, and a finder's warrant to acquire 30,000 shares at \$0.25 per share until March 7, 2009

During the quarter ended June 30, 2007, the Corporation completed the following arm's length non-brokered private placements:

- a) the third tranche of the fourth private placement closed on April 23, 2007, consisting of the sale of 14,385,000 common shares at \$0.25 per share for total gross proceeds of \$3,596,250 pursuant to a non-brokered arm's length private placement. The private placement was sold to a group of private investors. MGI Securities Inc. was paid a finders fee consisting of cash commission of \$215,775 equal to 6% of the gross proceeds sold, 41,400 finder shares valued at \$0.25 per share for a total value of \$10,350 and a finder's warrant to acquire 904,500 common shares of the Corporation at \$0.25 per share until October 7, 2008.
- b) On May 14, 2007, the fourth tranche of the fourth private placement closed, consisting of the sale of 290,000 common shares at \$0.25 per share for total gross proceeds of \$72,500 pursuant to a non-brokered arm's length private placement.
- c) On June 29, 2007 the fifth tranche of the fourth private placement closed, consisting of the sale of 2,592,700 common shares at \$0.25 per share for a total gross proceeds of \$648,175 pursuant to a non-brokered arm's length private placement. MGI Securities Inc. was paid a commission consisting of cash of \$11,441.

Project Portfolio

The Corporation (through Nevoro Nevada Inc.) holds 9 projects in Nevada, all of which are wholly owned or optioned and two are currently leased for annual cash payments and a 3% net smelter royalty ("NSR"). During the quarter ended June 30, 2007, the Corporation dropped the *Black Warrior* project due to poor results. St. Elmo, Dome Hill, Silver King and Cross are the prime projects. Exploration activities for the second quarter are described below. Other projects, with less aggressive exploration programs, include:

- *Eagleville* – mapping and sampling are underway.
- *Warm Springs* and *Stealth* – these properties are leased out to third parties for cash payments and royalties.
- *CD* – mapping and sampling are planned.
- *Germany Canyon* – mapping and sampling are planned.

St. Elmo Project

The St. Elmo Project is situated in Elko County, approximately 100 km north of Elko, Nevada at the intersection of the northeast-trending Midas Trough structural zone and a zone of northwest-trending faults.

The project includes most of the historic Island Mountain mining district and consists of 425 contiguous claims totaling approximately 8,500 acres (13.2 square miles). Included within this large claim block are all or parts of five formerly productive mining areas: the St. Elmo, Rosebud, Diamond Jim, Gribble and Wildhorse mines.

In total, 9 target areas have been established at St. Elmo:

- *St. Elmo Vein* – the vein and associated structures are in excess of 6,600 ft. long and host several gold and silver bearing zones of anastomosing quartz veins and silicified breccias.
- *Central Saddle Area* – this area holds mineralized low-angle thrust faults cut by high-angle faults and other possible north- to northwest-trending mineralized structures.
- *Diamond Jim* – mineralization from this past producing silver, lead, zinc and gold mine has been found in low-angle thrust faults and northeast-trending, high-angle veins and structural zones.
- *Rosebud Mine Area* – silver, lead, zinc and gold mineralization is found in shallow-dipping quartz veins and silicified breccias within low-angle thrust faults.
- *Barite Fault and Sinter Faults Zones* – steeply dipping structures parallel to the St. Elmo trend which probably represent the upper portions of a hydrothermal system.
- *Rosebud Mountain* – historic gold values of up to 0.45 oz./ton gold within northerly trending structures.
- *Coffee Pot Stock* – extensive zones of tungsten-molybdenum mineralization contained in skarn zones.
- *Gribble Antimony Zone* – silicified zones of stibnite-gold mineralization associated with strongly altered pyritic dikes.
- *Tennessee Mountain* – Carlin-style gold mineralization hosted within calcareous sediments.

During the quarter, advances were made in the permitting process in preparation for drilling to begin in the third quarter. In addition, reconnaissance mapping and an Induced Polarization (IP) geophysical survey have been initiated in an area of quartz veining in the northern portion of the property to further define targets associated with structures and in calcareous sediments hosting gold-copper mineralization.

Dome Hill Project

The Dome Hill project is situated along the California-Nevada border, approximately 45 km west-southwest of Hawthorne, Nevada. An additional 100 claims (75 in Mineral County Nevada, 25 in Mono County California) were added to the original block of 51 claims, during the period ended June 30, 2007. The project shows potential for high-grade gold-silver mineralization in epithermal veins as well as a deeper porphyry copper-gold-molybdenum-silver mineralization system.

Preliminary mapping at Dome Hill has identified four, epithermal, precious metal mineralized trends – Maybelle, Dome Hill, Old Man Workings and Gold Fund Mine. These are associated with highly altered, northeast-trending banded quartz veins and rhyolitic dikes. These structures are up to 7500 feet long and from 10 feet to more than 200 feet wide.

Reconnaissance-scale mapping will be conducted on the project and selected areas of alteration will be revisited and mapped on a more detailed basis. A Plan of Operations permit application has been filed with the Forest Service, and pending approval of the permit, drilling could begin in mid-2008.

Silver King and Cross Projects

These two adjacent projects are situated in Lincoln County, approximately 133 km south of Ely, Nevada at the intersection of the southern extension of the northwest-trending Cortez trend and the west-trending Midway-Warm Springs fault zone. These two properties comprising 446 claims have district-scale potential for Carlin-style gold deposits, copper-gold-silver-zinc skarn deposits and copper-gold porphyry deposits,

Silver King

During the period ended June 30, 2007, further claims were staked in this project. An IP geophysical survey has been completed over parts of the g property, and has defined a pronounced chargeability anomaly associated with strongly altered dikes and carbonate sediments. In the northern portion of Silver King, geological mapping in conjunction with the IP survey have led to the delineation of several drill targets. Further mapping and sampling of the area will be completed. In the southern area of Silver King, additional drill targets are being developed, especially in areas with coincident gold-silver-copper soil geochemical anomalies with coincident geological structures in strongly altered sediments.

Cross

This 170 claim, leased project, is two miles southeast along the Cortez trend from Silver King and hosts the largest and most complex of the northwest-southeast trending magnetic anomalies.

Magnetically anomalous “fingers” extend southwest from the main, one mile-wide, magnetic anomaly on the pediment, and can be traced as altered granodiorite dikes into the calcareous siltstones of the Pogonip Formation. Gold-bearing jasperoid breccias are associated with these altered dikes, and there are large, bleached, iron oxide-stained zones of Pogonip Formation containing up to 5 g/t gold. Gold mineralization has been found along the pediment-outcrop interface for more than two miles. The northern end of the main magnetic anomaly also has an intriguing, horseshoe-shaped high surrounding a magnetic low embayment.

Nevoro has filed an amended Notice of Intent with the BLM to incorporate planned reverse circulation drilling of these targets, expected to commence in early 2008.

Subsequent Events

Subsequent to June 30, 2007, the Corporation assumed the lease for its head office space in Toronto, Ontario, Canada effective July 1, 2007 under a lease agreement which expires on September 30, 2011.

Annual lease payments under the agreement are as follows for the years ending:

	(CDN\$)
December 31, 2007	\$ 42,135
December 31, 2008	84,269
December 31, 2009	84,269
December 31, 2010	84,269
December 31, 2011	63,202

\$ 358,144

OVERALL PERFORMANCE

During the six month period ended June 30, 2007, the Corporation incurred expenses of \$281,593, compared to \$27,272 during the period ended June 30, 2006 and \$59,009 for the year ended December 31, 2006. The increase in expenses is due to the Corporation becoming an active exploration corporation, as well as the set-up of offices in both, Toronto, Ontario, Canada and Reno, Nevada, USA.

The Corporation had \$9,054,987 of Mineral Interests as at June 30, 2007, compared to \$1 at both June 30, 2006 and December 31, 2006. The increase is due to the purchase of Nevoro Nevada Inc. (formerly Goodsprings Development Corporation), which held an interest in 10 precious metal projects in Nevada, as well as exploration work performed on those properties.

The Corporation had \$170,973 of accounts payable and accrued liabilities as at June 30, 2007, compared to \$26,573 at June 30, 2006 and \$34,599 at December 31, 2006. This increase is due to the Corporation becoming active, and the liabilities pertain to exploration as well as general and administrative costs.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly results of the Corporation for the eight quarters prior to the effective date of this report. The information contained herein is drawn from the interim financial statements of the Corporation for each of the aforementioned eight quarters, and translated into US\$ funds at the rate prevailing at the end of each quarter for assets and liabilities and at the average rate for income and expenses.

Year	2007	2007	2006	2006
Quarter	June 30,	March 31,	December 31,	September 30,
Revenue	Nil	Nil	nil	nil
Working Capital (Deficit)	7,546,806	3,955,147	(48,990)	(28,407)
Expenses	281,593	197,101	22,415	8,885
Net Loss	182,398 (*)	199,085	(22,415)	(8,885)
Net Loss (per Common Share)	(0.00)	(0.00)	(0.02)	(0.01)

(*) Net of interest income of \$37,330, general exploration costs written off of \$166,131 and a future income tax recovery of \$227,996.

Year	2006	2006	2005	2005
Quarter	June 30,	March 31,	December 31,	September 30,
Revenue	nil	nil	nil	nil
Working Capital (Deficit)	(19,492)	(12,933)	8,433	13,537
Expenses	5,915	21,357	4,756	17,449
Net Loss	(5,915)	(21,357)	(4,756)	(17,449)
Net Loss (per Common Share)	(0.01)	(0.03)	(0.01)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

The Corporation had cash of \$6,425,720 as at June 30, 2007, compared to \$Nil as at December 31, 2006. The increase in cash is due to the completion of four private placements, for total gross proceeds of \$9,042,675. The increase in cash leads to a similar increase of working capital from a deficit of \$48,990 at December 31, 2006 to working capital of \$7,546,806 at June 30, 2007.

Additional requirements for capital will be met through the completion of equity financings, which will be relied upon to maintain an adequate liquidity base with which to support its operations. If such financing is unavailable for any reason, the Corporation may become unable to carry out its business plan. The Corporation intends to fund all future commitments with cash on hand, or through any other financing alternative it may have available to it at the time in question.

As noted above, the Corporation is now focused on precious metal resource exploration and development in Nevada, USA. There can be no assurance that such business undertaking will be profitable or otherwise successful. The Corporation's continued existence depends on its ability to raise further financing for working capital as the need may arise. Mineral exploration is subject to numerous and substantial risks. See "Description of the Business". The Corporation does not expect to receive any income in the foreseeable future.

The Corporation's success is dependent on the knowledge and expertise of its management and employees and their ability to identify and advance attractive business opportunities.

Other than as discussed herein, the Corporation is not aware of any trends, demands, commitments, events or uncertainties that may result in the Corporation's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Corporation's liquidity and capital resources will be substantially determined by the success or failure of any new proposed business of the Corporation and its ability to obtain equity financing.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Six Months ended June 30, 2007

(a) Included in accounts payable and accrued liabilities as at June 30, 2007 is \$Nil (December 31, 2006 -\$23,275) owing to a corporation controlled by a former officer and director of the Corporation for certain expenditures incurred by the corporations on behalf of the Corporation.

(b) Officers, directors and related person of the Corporation subscribed for 8,090,000 shares for gross proceeds of US\$297,000 pursuant to the private placements described under "Financings".

(c) Included in accounts payable and accrued liabilities as at June 30, 2007 is \$65,079 (December 31, 2006 -\$NIL) owing to certain directors and officers of the Corporation.

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

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in the preparation of the financial statements include the Corporation's estimate of recoverable value of its mineral properties and related deferred exploration expenditures as well as the value of stock-based compensation. Both of these estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Corporation's control.

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

The Corporation's recoverability of the recorded value of its mineral properties and associated deferred exploration expenses is based on current market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Corporation operates in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, the ability of the Corporation and its subsidiaries to obtain necessary financing to complete the development, and future profitable production or the proceeds of disposition thereof. These are more extensively outlined under "Risk Factors".

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments consist of cash and cash equivalents, short term investments, amounts receivable and accounts payable and accrued liabilities. Risk management of cash, cash equivalents and short-term investment, consists of placing cash, cash equivalents and short-term investments only with institutions of high credit worthiness in instruments with low risk.

RISK FACTORS

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

Development Stage Company and Exploration Risks

The Corporation is engaged in the business of exploration for, and development of, precious and base metals deposits in North America. The properties of the

Corporation have no established reserves. There is no assurance that any of the properties can be mined profitably. Accordingly, it is not assured that the Corporation will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Corporation will be dependent upon developing and commercially mining an economic deposit of minerals, which in itself is subject to numerous risk factors. Exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time of which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration, development and production programs of the Corporation will result in profitable commercial mining operations. The profitability of the Corporation's operations will be, in part, directly related to the cost and success of its exploration and development programs which may be affected by a number of factors. Substantial expenditures would be required to establish reserves sufficient to commercially mine mineral deposits on the Corporation's properties and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

No History of Profitability

The Corporation is an exploration stage corporation with no history of profitability. There can be no assurance that the operations of the Corporation will be profitable in the future. The Corporation has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Corporation may become unable to acquire and retain its mineral concessions and carry out its business plan.

Government Regulations

The Corporation's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Corporation to carry out its mining activities, the Corporation's mining licences must be kept current. There is no guarantee that the Corporation's mining claims will be extended or that new mining claims will be granted. In addition, such mining claims could be changed and there can be no assurances that any application to renew any existing claims will be approved. The Corporation may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Corporation will also have to obtain and comply with permits and claims which may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial

assurances. There can be no assurance that the Corporation will be able to comply with any such conditions.

Market Fluctuation and Commercial Quantities

The market for minerals is influenced by many factors beyond the control of the Corporation such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing Corporations, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metals and other mineral deposits may be affected by other factors that are beyond the Corporation's control including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors, which may affect commercial viability so that any adverse combination of such factors may result in the Corporation not receiving an adequate return on invested capital.

Mining Risks and Insurance

The Corporation is subject to the risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Corporation may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator of its exploration programs cannot insure or against which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse affect on the financial position of the Corporation.

Environmental Protection

The mining and mineral processing industries are subject to extensive governmental regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health

and safety, which may adversely affect the Corporation or require it to expend significant funds.

Capital Investment

The ability of the Corporation to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing hereafter. There is no assurance that adequate financing will be available to the Corporation or that the terms of such financing will be favorable. Should the Corporation not be able to obtain such financing, its properties may be lost entirely.

Conflicts of Interest

Certain of the directors and officers of the Corporation may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Corporation will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Corporation and such other companies. In addition, such directors declare, and refrain from voting on any matters in which such directors may have a conflict of interest.

Disclosure Controls

The Corporation's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Corporation's disclosure controls and procedures, including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep the Disclosure Committee fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public release. Access to such material information by the Disclosure Committee is facilitated by the small size of the Corporation's senior management team and regular communication between them.

The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Corporation's disclosure controls and procedures as of June 30, 2007, have concluded that the Corporation's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Corporation and its subsidiaries would have been known to them.

CHANGE IN ACCOUNTING POLICIES

In January 2005, the CICA issued Handbook Sections, "Financial Instruments, Recognition and Measurement", "Comprehensive Income", and "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. The Company has adopted these new standards effective January 1, 2007. The Financial Instruments Section prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets are measured at fair value subsequent to initial recognition;
- All financial liabilities are measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method;
- All derivative financial instruments are measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

The Comprehensive Income Section introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations. For the period ended June 30, 2007, the Company did not have other comprehensive income or loss, therefore the comprehensive loss for the period was equal to the net loss for the period.

The Hedges Section provides alternative treatments for entities, which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in the section for "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

The Company has determined that the adoption of these new policies had no material impact on its consolidated financial statements as at and for the period ended June 30, 2007.

Foreign currency translation

The interim consolidated financial statements of the Corporation are presented in U.S. dollars. The operations of the subsidiary, Nevoro Nevada Inc. (formerly Goodsprings Development Corporation), are in U.S. dollars. The operations of the parent, Nevoro Inc. are translated into U.S. dollars as follows: monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date; non-monetary items and any related amortization of such items are translated at the rate of exchange in effect when the assets were acquired or obligations incurred; and all income and expense items are translated at average exchange rates prevailing during the year. Exchange gains and losses are included in net loss for the year.

Change in functional and reporting currency

Effective April 1, 2007, the functional currency of the Corporation changed from Canadian dollars to U.S. dollars. In general, this change resulted from the increase in the overall proportion of business activities conducted in U.S. dollars, as a result of the acquisition of Goodsprings, as well as the private placements that were denominated in U.S. dollars. Concurrent with this change in the functional currency, the Corporation adopted the U.S. dollar as its reporting currency.

The change was effected for prior periods as follows: assets and liabilities were translated at the spot rate on that date; income and expense items for those periods were translated at the average rate for each period; and equity transactions were translated at historic rates. The resulting net translation adjustment has been posted to the cumulative other comprehensive income account.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation's Chief Executive Officer and Chief Financial Officer are also responsible for the design of internal controls over financial reporting. The fundamental issue is ensuring all transactions are properly authorized and identified and entered into a well designed, robust and clearly understood system on a timely basis to minimize risk of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions necessary to present financial statements in accordance with generally accepted account principles, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected. The relatively small size of the Corporation makes the identification and authorization process relatively efficient and a process for reviewing internal controls over financial reporting has been developed. To the extent possible given the Corporation's small size, the internal control procedures provide for separation of duties for receiving, approving, coding and handling of invoices, entering transactions into the accounts, writing cheques and wire requests and also require two signers on all payments. As of June 30, 2007, the Corporation's Chief Executive Officer and Chief Financial Officer conclude that the Corporation's

system of internal controls is adequate and comparable to those of issuers of a similar size and nature. There have been no changes during the most recent quarter, being the period ended June 30, 2007, in the Corporation's internal controls over financial reporting that have affected or would reasonably be expected to affect its financial reporting.