

**GDV Resources Inc.  
(formerly Global Development Resources, Inc.)**

**Consolidated Condensed Interim Financial Statements (Unaudited)**

**March 31, 2012 and 2011**  
(Expressed in Canadian dollars)

## Management's Responsibility for Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of GDV Resources Inc. (the "Company" or "GDV") are the responsibility of the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"signed Chris Carmichael"  
Chris Carmichael  
Chief Executive Officer

"signed Andrew Hilton"  
Andrew Hilton  
Chief Financial Officer

Toronto, Canada  
May 29, 2012

### NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended March 31, 2012 have not been reviewed by the Company's auditors

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

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	<b>March 31</b>	<b>December 31</b>
	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Cash	\$ 125,019	\$ 8,850
	<u>\$ 125,019</u>	<u>\$ 8,850</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (notes 9 and 10)	\$ 329,049	\$ 128,988
Notes payable (notes 6 and 8)	-	62,451
	<u>329,049</u>	<u>191,439</u>
<b>Shareholders' (Deficiency)</b>		
Share capital (notes 4(b) and 9)	7,948,310	7,948,310
Contributed surplus	15,341,539	15,341,539
Deficit	<u>(23,493,879)</u>	<u>(23,472,438)</u>
	<u>(204,030)</u>	<u>(182,589)</u>
	<u>\$ 125,019</u>	<u>\$ 8,850</u>

Going concern (note 1); Liquidity risk (note 7); Subsequent events (note 9), Contingencies (note 10)

On Behalf of the Board

Signed: "Chris Carmichael ", DirectorSigned: "Andrew Hilton ", Director

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Consolidated Statements of Changes in Shareholders' (Deficiency)

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

(Unaudited)

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	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance, January 1, 2011</b>	7,824,460	15,341,539	(23,409,025)	(243,026)
Net (loss)	-	-	(30,247)	(30,247)
Shares issued in exchange for debt	123,850	-	-	123,850
<b>Balance, March 31, 2011</b>	<b>7,948,310</b>	<b>15,341,539</b>	<b>(23,439,272)</b>	<b>(149,423)</b>
	<b>Share Capital</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance, January 1, 2012</b>	7,948,310	15,341,539	(23,472,438)	(182,589)
Net (loss)	-	-	(21,441)	(21,441)
Shares issued in private placements (note 4)	200,000	-	-	200,000
Shares retracted (note 4)	(200,000)	-	-	(200,000)
<b>Balance, March 31, 2012</b>	<b>7,948,310</b>	<b>15,341,539</b>	<b>(23,493,879)</b>	<b>(204,030)</b>

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Consolidated Statements of Comprehensive Loss

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

(Unaudited)

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	2012	2011
<b>Expenses</b>		
General office and administration (note 6)	\$ 20,574	\$ 30,247
Interest expense	<u>867</u>	<u>-</u>
	<u>21,441</u>	<u>30,247</u>
<b>Net loss before income taxes</b>	(21,441)	(30,247)
Income taxes	<u>-</u>	<u>-</u>
<b>Net loss and comprehensive loss</b>	\$ <u>(21,441)</u>	\$ <u>(30,247)</u>
<b>Basic and diluted net loss per share</b> (note 5)	\$ (0.00)	\$ (0.01)
<b>Weighted average number of shares outstanding</b>	<u>6,066,579</u>	<u>4,745,279</u>

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Consolidated Statements of Cash Flows

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

(Unaudited)

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	<b>2012</b>	<b>2011</b>
<b>Operating activities</b>		
Net loss for the period	\$ (21,441)	\$ (30,247)
Changes in accounts payable and accrued liabilities	<u>61</u>	<u>30,151</u>
<b>Net cash flows (used in) operating activities</b>	<u>(21,380)</u>	<u>(96)</u>
<b>Financing activities</b>		
Proceeds from issuance of common shares (notes 4 and 9)	200,000	-
Repayment of notes payable	<u>(62,451)</u>	<u>-</u>
<b>Net cash flows generated by financing activities</b>	<u>137,549</u>	<u>-</u>
<b>Increase (decrease) in cash</b>	116,169	(96)
<b>Cash</b> , beginning of period	<u>8,850</u>	<u>1,089</u>
<b>Cash</b> , end of period	\$ <u>125,019</u>	\$ <u>993</u>
<b>Supplemental cash flow information</b>		
Common shares issued in exchange for debt	\$ <u>-</u>	\$ <u>123,850</u>

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

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## **GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

(Unaudited)

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### **1. Nature of Business and Going Concern**

GDV Resources Inc. (formerly Global Development Resources, Inc.) (“the Company” or “GDV”) was a merchant bank that assumed the role of participating lender in the acquisition, development, sales and management of real estate properties that met a predetermined set of guidelines within North American markets. On September 30, 2009 the Company ceased its operations upon the sale of its wholly-owned subsidiary Global Development Resources, Inc. (USA) (“GDR USA”). As a result of the sale of GDR USA, the Company no longer has continuing operations.

GDV is a publicly traded company incorporated and domiciled in Ontario. The Company’s registered office is as follows: 201-55 York Street, Toronto, ON M5J 1R7. The Company’s common shares are listed on the NEX under the symbol GDV.H.

Since inception, the Company has incurred losses and net cash outflows from operations and has funded operations through common stock issuances and debt in order to meet its strategic objectives. However, as at March 31, 2012 the Company has only \$125,019 in cash to satisfy liabilities of \$329,049. Included in the \$329,049 is \$80,000 with respect to a demand letter received in the amount of US \$6,359,630. As a result of the foregoing, there exists substantial doubt about the Company’s ability to continue as a going concern. Management is continuing to pursue additional financing and other business opportunities in order to secure sufficient working capital to meet its operational requirements and be able to pay its existing liabilities. In addition management is continuing to negotiate for the settlement of the demand letter. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue to fund its operations. Accordingly, these consolidated financial statements do not include any adjustments that might be necessary if the going concern assumption was not appropriate.

### **2. Significant Accounting Policies**

#### Basis of Presentation

These consolidated condensed interim financial statements, including comparative periods, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), including IAS 34, Interim Financial Reporting.

These consolidated condensed interim financial statements are prepared using IFRSs in effect at May 29, 2012, the date of the Board of Directors approving the financial statements. Outlined below are those policies considered particularly significant for the Company.

#### Basis of Consolidation

All significant intercompany transactions and balances have been eliminated.

##### (i) Subsidiaries

The accompanying consolidated condensed interim financial statements include the accounts of the Company and its wholly-owned subsidiaries: Eco Logic Chemical Technologies Inc. and Eco Logic Solutions Inc., both of which are inactive.

#### Use of Estimates

The preparation of these consolidated condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. While management believes that the estimates and assumptions are reasonable, actual results may differ materially from those estimates. Significant estimates that may affect the future values of the assets and liabilities primarily relate to the provision recorded to satisfy the demand letter (note 10).

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## **GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

(Unaudited)

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### **2. Summary of Significant Accounting Policies - continued**

#### Provisions

The Company recognizes provisions, typically for asset retirement obligations and employee benefits, when a legal or constructive obligation exists as a result of past events, when it is probable that there will be an outflow of economic benefits from the entity, and a reliable estimate of the amount of the obligation can be made. When a provision is expected to settle beyond the immediate term, the provision is measured at the present value of future cash flows, discounted at prevailing market interest rates. With the passage of time, a finance expense is recorded as the provision accretes.

#### Foreign Currency Translation

The Canadian dollar is the functional and reporting currency of the Company's business and the consolidated condensed interim financial statements. Accordingly, these consolidated condensed interim financial statements are expressed in Canadian dollars.

Monetary assets and liabilities denominated in currencies other than Canadian dollars are translated into Canadian dollars at the rate of exchange in effect at the end of the reporting period. Revenues and expenses are translated at the transaction exchange rate. Foreign currency gains and losses resulting from translation are reflected in net income of the period.

#### Stock-based Compensation Plan

The Company from time to time may grant stock options to employees, officers and directors. The Board of Directors grants such options with lives up to 5 years, with vesting periods determined at its discretion and at exercise prices equal to or greater than the Company's closing common share price on the date preceding that of the grant date.

The Company determines the fair value of options granted using the Black-Scholes option pricing model. The fair value of options granted incorporates an assumption for expected option forfeitures and is determined on the grant date. The fair value of options on each vesting date is recognized as stock-based compensation expense over the vesting period.

#### Financial Instruments

Financial assets must be classified into one of four categories: fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale; financial liabilities must be classified into one of two categories: fair value through profit or loss and other financial liabilities. The subsequent treatment of changes in fair value depends on their initial classification, as follows: fair value through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts are recorded in net income.

Cash is designated as loans and receivables and is measured at amortized cost. Accounts payable, accrued liabilities and notes payable are designated as other financial liabilities which are measured at amortized cost.



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## **GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

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### **2. Summary of Significant Accounting Policies – continued**

#### Income Taxes

Income tax expense comprises current and deferred components.

Current income tax expense is the expected tax payable for the current period's taxable income based on rates enacted or substantively enacted at the end of the reporting period and any adjustments to previous estimates.

Deferred income taxes are calculated using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in expected future tax rates is recognized in net (loss) income in the period that includes the date of substantive enactment of the revised tax rates. Deferred tax assets are recognized to the extent that it is probable that they will be realized.

#### Earnings (loss) per Share

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing net earnings available to common shareholders for the period by the diluted weighted average number of common shares outstanding during the period. The diluted weighted average number of shares includes the potential dilution from common shares issuable through stock options, if dilutive, using the treasury stock method. The treasury stock method assumes that the proceeds from any shares issued on the exercise of stock options are used by the Company to repurchase and cancel shares at the average market price of the Company's share price for the period. As such, where the strike price of stock options exceeds the average market price of the Company's shares for the reporting period, the inclusion of these shares under the treasury stock method would be anti-dilutive, so these shares are excluded from the calculation of the weighted average number of diluted common shares.

In periods that the Company reports a net loss, loss per share is not presented on a diluted basis, as the result would be anti-dilutive.

### **3. New and Revised IFRS's in Issue but Not Yet Effective**

A number of new standards and issued amendments to standards and interpretations are not yet effective for the period ending March 31, 2012, and have not been applied when preparing these consolidated condensed interim financial statements. Management is currently assessing the impact of these standards and amendments on its financial statements.

#### IFRS 9 - Financial instruments

IFRS 9, "Financial instruments" ["IFRS 9"] was issued by the IASB on November 12, 2009 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ["IAS 39"]. IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Company is assessing the impact of IFRS 9 on its consolidated financial statements.

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## **GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

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### **3. New and Revised IFRS'S in Issue but Not Yet Effective - continued**

#### IFRS 10 - Consolidated Financial Statements

IFRS 10, "Consolidated Financial Statements" (IFRS 10) was issued by the IASB on May 12, 2011 and will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidated - Special Purpose Entities. IFRS 10 incorporates a single model for consolidating all entities that are controlled and revises the definition of control to be "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee". Along with control, the new standard also focuses on the concept of power, both of which will include a use of judgment and continuous reassessment as facts and circumstances change. IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 10 on its consolidated financial statements.

#### IFRS 11 – Joint Arrangements

IFRS 11, "Joint Arrangements" (IFRS 11) was issued by the IASB on May 12, 2011 and will replace IAS 31, Interest in Joint Ventures. The new standard will apply to the accounting for interest in joint arrangements where there is joint control. Joint arrangements will be separated into joint ventures and joint operations. The structure of the joint arrangement will no longer be the most significant factor on classifying a joint arrangement as either a joint operation or a joint venture. Proportionate consolidations will be removed and replaced with equity accounting. IFRS 11 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS11 on its consolidated financial statements.

#### IFRS 12 – Disclosure of Interest in Other Entities

IFRS 12, Disclosure of Interest in Other Entities was issued by the IASB on May 12, 2011. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 12 on its consolidated financial statements.

#### IFRS 13 – Fair Value Measurement

IFRS 13, Fair Value Measurement was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company is assessing the impact of IFRS 13 on its consolidated financial statements.

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

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**4. Share Capital**

## a) Authorized

Unlimited (December 31, 2011 – unlimited) common shares

Unlimited (December 31, 2011– unlimited) preferred shares

## b) Shares issued and outstanding

	<b>Number of Shares</b>	<b>Amount</b>
<b>Common shares</b>		
<b>Balance, December 31, 2011</b>	6,066,579	\$ 7,948,310
Shares issued in private placements (i)	4,000,000	200,000
Shares retracted (i)	<u>(4,000,000)</u>	<u>(200,000)</u>
<b>Balance, March 31, 2012</b>	<u>6,066,579</u>	<u>\$ 7,948,310</u>

- i) On February 1, 2012 and February 17, 2012, the Company announced that it had issued a total of 4,000,000 common shares at a price of \$0.05 per share. Subsequent to quarter end the Company agreed to retract the two private placement financings for gross proceeds of \$200,000 due to the representations and warranties of the private placement subscription agreement. The retraction was effective on the share issuance dates. \$124,334 was paid to the subscribers and the remaining \$75,666 was reclassified as non-interest bearing promissory notes due April 30, 2014.

## c) Stock Options Outstanding

GDV has a stock option plan (the "Plan") which was approved by the Board of Directors of GDV. The total amount of shares reserved for issuance under the Plan is equal to 10% of the outstanding common shares.

The Plan is for the benefit of the employees, officers and directors and certain consultants of GDV and its subsidiaries. The Plan is administered by the Compensation Committee of the Board of Directors of GDV. The Compensation Committee may from time to time designate individuals to whom options to purchase shares of the capital stock of GDV may be granted and the number of shares to be optioned to each. The option price per share which is the subject of any option shall be fixed by the Board of Directors when such option is granted. The option price can be discounted according to the rules of the Exchange at the time the option is granted. It is GDV's policy that options vest fully upon issuance. The period during which an option is exercisable shall not exceed five years from the date the option is granted. The options may not be assigned, transferred or pledged. Subject to any grace period allowed under the policies of the Exchange, the options will expire upon the termination of the employment or office with GDV or any of its subsidiaries or death of an individual. The total number of shares to be optioned to any one individual cannot exceed five percent of the total of the issued and outstanding shares.

The Company did not have any options outstanding during the periods ended March 31, 2012 and 2011.

**5. Net Loss per Share**

Net loss per share has been calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potential common shares from the assumed exercise of stock options, if dilutive.

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

(Expressed in Canadian dollars)

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**6. Related Party Transactions**

Prior to the private sale of 3,000,000 common shares of GDV to a third party on December 31, 2011, GC-Global Capital Corp. ("Global") held approximately 49.9% of GDV's issued and outstanding common stock and shared common management, directors and officers with GDV. As a result of the sale and coinciding resignation of the common officers and directors, Global is no longer related to GDV.

- a) General office and administration expenses include management and administrative fees in the amount of \$3,113 (2011 - \$16,950) which were charged by companies controlled by current officers and directors of the Company.
- b) Notes payable includes a balance of \$Nil (December 31, 2011- \$37,000) due to a family member of the former Chairman of the Company and \$20,000 due to a former director of the Company. Interest expense for the quarter ended March 31, 2012 relating to these notes amounted to \$867. The notes were fully repaid in the first quarter of 2012.
- c) During the three months ended March 31, 2011, Global provided bookkeeping services and office space to GDV at no cost. The value of such bookkeeping and office space is considered immaterial and therefore no amounts have been recorded in the consolidated financial statements.

**Compensation of key management personnel**

The remuneration expense of directors and other members of key management personnel during the three months ended March 31, 2012 and 2011 were as follows:

	<b>2012</b>	<b>2011</b>
Management and administration fees	\$ 3,113	\$ 16,950

**7. Risk Management and Financial Risks***Capital Management*

The Company manages its shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities for the benefit of its shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may attempt to issue new shares or debt, or adjust the amount of cash. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits. The Company is not subject to any externally imposed capital requirements.

*Financial Risks*

The Company's risk exposures and the impact on its financial instruments are summarized below:

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2012, the Company had a deficiency in working capital. The Company had a cash balance of \$125,019 (December 31, 2011 - \$8,850) to settle current liabilities of \$329,049 (December 31, 2011 - \$191,439). All of the Company's financial liabilities have contractual maturities of less than one year. Subsequent to quarter end, the private placements were retracted and \$124,334 was repaid to subscribers. The remaining \$75,666 was reclassified as non-interest bearing promissory notes due April 30, 2014.

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**GDV Resources Inc. (formerly Global Development Resources, Inc.)**

Notes to Consolidated Financial Statements

**For the three months ended March 31, 2012 and 2011**

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**8. Notes Payable**

In April, 2011 the Company received a \$32,000 note from a family member of the former Chairman of the Company. Additional advances of \$5,000 were made during the second quarter bringing the total to \$37,000. The note bore interest at a rate of 15% per annum and was repaid in full in February, 2012. Interest expense for the three months ended March 31, 2012 was \$563. In July, 2011 the Company entered into an additional loan agreement with a former director for \$20,000. The loan bore interest at 15% per year and was also repaid in full in February, 2012. Interest expense for the three months ended March 31, 2012 was \$304.

**9. Subsequent Events**

On April 25, 2012 the Company announced that it had received a demand letter for a payment on a guarantee executed on January 25, 2007 by the Company for a loan payable from its former subsidiary Global Development Resources, Inc. The payment demands on the loan are from an individual and two trusts and total US\$6,359,630.

The Company has agreed to retract the two private placement financings for gross proceeds of \$200,000 due to the representations and warranties of the private placement subscription agreement. On February 1, 2012 and February 17, 2012, the Company announced that it had issued a total of 4,000,000 common shares at a price of \$0.05 per share, which have now been cancelled. As at March 31, 2012, \$200,000 due to subscribers is included in accounts payable and accrued liabilities. Subsequent to quarter end, \$124,334 was repaid to subscribers and \$75,666 was reclassified as non-interest bearing promissory notes due April 30, 2014.

**10. Contingencies**

In April, 2012 the Company received a demand letter for a payment on a guarantee executed on January 25, 2007 by the Company for a loan payable from its former subsidiary Global Development Resources, Inc. The payment demands on the loan are from an individual and two trusts and total US\$6,359,630. As at March 31, 2012 the Company has recorded a provision of \$80,000, which is management's estimate of the liability in relation to this contingency. This amount is included in accounts payable and accrued liabilities. The Company has taken steps to verify that no additional liabilities exist. Although no additional claims have been identified as at the date of these financial statements, there is no guarantee debtors of the Company's former subsidiary will not make future claims.