GDV Resources Inc.

Consolidated Financial Statements

December 31, 2012 and 2011

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. These consolidated financial statements contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors reviews the results of the annual audit and the consolidated financial statements prior to submitting the consolidated financial statements to the Board for approval.

The Company's auditors, MSCM LLP, are appointed by the shareholders to conduct an audit and their report follows.

*Signed: "**Chris Carmichael**"*

Chris Carmichael
Chief Executive Officer

*Signed: "**Andrew Hilton**"*

Andrew Hilton
Chief Financial Officer

Toronto, Ontario
April 30, 2013

Independent Auditor's Report

To the Shareholders of
GDV Resources Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GDV Resources Inc., which comprise the consolidated statements of financial position as at December 31, 2012 and 2011, and the consolidated statements of changes in shareholders' (deficiency), comprehensive income (loss), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GDV Resources Inc. as at December 31, 2012 and 2011, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes material uncertainty and raises substantial doubt about the Company's ability to continue as a going concern.

Signed: ***"MSCM LLP"***

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
April 30, 2013

GDV Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31 2012	December 31 2011
Assets		
Cash	$ 9,675	$ 8,850
	$ 9,675	$ 8,850
Liabilities		
Accounts payable and accrued liabilities (note 7)	$ 68,331	$ 128,988
Notes payable (notes 5(b), 7 and 10)	-	62,451
	68,331	191,439
Shareholders' (Deficiency)		
Share capital (note 5)	7,998,310	7,948,310
Contributed surplus	15,341,539	15,341,539
Deficit	(23,398,505)	(23,472,438)
	(58,656)	(182,589)
	$ 9,675	$ 8,850

Going concern (note 1); Liquidity risk (note 9)

On Behalf of the Board

Signed: “Chris Carmichael “ , Director

Signed: “Andrew Hilton “ , Director

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

GDV Resources Inc.

Consolidated Statements of Changes in Shareholders' (Deficiency)

For the years ended December 31, 2012 and 2011

(Expressed in Canadian dollars)

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2011	7,824,460	15,341,539	(23,409,025)	(243,026)
Net (loss) for the year	-	-	(63,413)	(63,413)
Shares issued in exchange for debt	123,850	-	-	123,850
Balance, December 31, 2011	7,948,310	15,341,539	(23,472,438)	(182,589)

	Share Capital	Contributed Surplus	Deficit	Total
	$	$	$	$
Balance, January 1, 2012	7,948,310	15,341,539	(23,472,438)	(182,589)
Shares issued in private placements	250,000	-	-	250,000
Shares retracted	(200,000)	-	-	(200,000)
Net income for the year	-	-	73,933	73,933
Balance, December 31, 2012	7,998,310	15,341,539	(23,398,505)	(58,656)

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

GDV Resources Inc.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2012 and 2011

(Expressed in Canadian dollars)

	2012	2011
Expenses		
General office and administration (note 7)	$ 41,215	$ 83,938
Interest expense (notes 7 and 10)	867	5,451
	42,082	89,389
Net (loss) before provision for contingency and forgiveness of debt	(42,082)	(89,389)
Reversal of (provision for) contingency (note 11)	40,349	(80,000)
Forgiveness of debt (notes 5(b) and 7)	75,666	105,976
Net income (loss) before income taxes	73,933	(63,413)
Income taxes (note 8)	-	-
Net income (loss) and comprehensive income (loss) for the year	$ 73,933	$ (63,413)
Basic and diluted net income (loss) per share (note 6)	$ 0.01	$ (0.01)
Weighted average number of shares outstanding	6,118,492	5,741,054

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

GDV Resources Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2012 and 2011

(Expressed in Canadian dollars)

	2012	2011
Operating activities		
Net income (loss) for the year	$ 73,933	$ (63,413)
Items not affecting cash:		
Reversal of (provision for) contingency	(40,349)	80,000
Forgiveness of debt	(75,666)	(105,976)
Changes in accounts payable and accrued liabilities	(20,308)	40,150
Net cash flows (used in) operating activities	(62,390)	(49,239)
Financing activities		
Proceeds from issuance of common shares (note 5 (b))	250,000	-
Repayments pursuant to retraction of common shares (note 5(b))	(124,334)	-
(Repayment of) proceeds from notes payable	(62,451)	57,000
Net cash flows generated by financing activities	63,215	57,000
Increase in cash	825	7,761
Cash, beginning of year	8,850	1,089
Cash, end of year	$ 9,675	$ 8,850
Supplemental cash flow information		
Common shares issued in exchange for debt	$ -	$ 123,850

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

1. Nature of Business and Going Concern

GDV 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, Ontario 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 December 31, 2012 the Company had only $9,675 in cash to satisfy liabilities of $68,331. 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. However, there can be no assurance that the Company will be able to obtain sufficient funds to continue to fund its operations. These consolidated financial statements do not include any adjustments that might be necessary if the going concern assumption was not appropriate.

2. Basis of Presentation

Statement of Compliance

These consolidated 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").

These consolidated financial statements are prepared using IFRSs in effect at April 30, 2013, the date of the Board of Directors approving the financial statements. Significant accounting policies used in the preparation of the consolidated financial statements are described in Note 3.

3. Summary of Significant Accounting Policies

Basis of Consolidation

All significant intercompany transactions and balances have been eliminated.

Subsidiaries

The accompanying consolidated 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 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.

3. Summary of Significant Accounting Policies - continued

Provisions

The Company recognizes provisions 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 these consolidated 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 or loss of the period.

Financial Instruments

Financial assets are classified into one of four categories: fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale; financial liabilities are 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 or loss; available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income or loss until the investment is derecognized or impaired at which time the amounts are recorded in net income or loss.

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.

Income Taxes

Income tax expense comprises current and deferred components.

Current income tax expense is the expected tax payable for the current year'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.

3. Summary of Significant Accounting Policies - continued

Earnings (loss) per Share

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

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

4. 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 year ending December 31, 2012, and have not been applied when preparing these consolidated financial statements. The Company does not anticipate any impact on its consolidated financial statements as a result of adoption the following new standards:

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.

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.

(Expressed in Canadian dollars)

4. New and Revised IFRS's in Issue but Not Yet Effective - continued

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 consolidation 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.

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.

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.

IAS 1 - Presentation of Financial Statements

IAS 1, Presentation of Financial Statements has been amended with respect to the presentation of other comprehensive income (OCI), requiring entities to group items within OCI on the basis of whether or not they will be reclassified subsequently to net earnings. It is not expected to impact the financial statements of the Company. This standard is effective for annual periods beginning on or after July 1, 2012.

5. Share Capital

a) Authorized

Unlimited (December 31, 2011 – unlimited) common shares
Unlimited (December 31, 2011 – unlimited) preferred shares

b) Shares issued and outstanding

	Number of Shares		Amount
Common shares			
Balance, January 1, 2011	3,589,579	$	7,824,460
Shares issued in exchange for debt (i)	2,477,000		123,850
Balance, December 31, 2011	6,066,579		7,948,310
Shares issued in private placements (ii) and (iii)	5,000,000		250,000
Shares retracted (ii)	(4,000,000)		(200,000)
Balance, December 31, 2012	7,066,579	$	7,998,310

5. Share Capital – continued

b) Shares issued and outstanding - continued

(i) On February 18, 2011, pursuant to a resolution passed by disinterested shareholders on November 24, 2010, the Company issued 2,477,000 common shares at a price of five cents per share to settle debt in the amount of $123,850. This amount includes 1.5 million shares to settle $75,000 due to GC-Global Capital Corp., a related party at the time of issuance as a result of common officers and share ownership, 525,000 shares to settle $26,250 due to Chris Carmichael, the Company's current chief executive officer and director, and 452,000 shares to settle $22,600 due to a company controlled by Gordon Ewart, the Company's chief executive officer at the time of issuance. The shares issued were subject to a four-month hold period which expired on June 18, 2011.

(ii) 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. In the second quarter of 2012, 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. Effective December 31, 2012, the Company was released from any obligations under the promissory notes.

(iii) On December 13, 2012 the Company announced that it had issued a total of 1,000,000 common shares at a price of $0.05 per share for gross proceeds of $50,000. The shares are subject to a four-month hold period expiring April 13, 2013.

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 stock options outstanding in 2011 and 2012.

6. Net Income (Loss) per Share

Net income (loss) per share has been calculated using the weighted average number of common shares outstanding during the year. Diluted income (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.

(Expressed in Canadian dollars)

7. Related Party Transactions and Balances

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 fees in the amount of $3,113 (2011 - $50,850) 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 $Nil due to a former director of the Company (2011 - $20,000). Interest expense for the year ended December 31, 2012 relating to these notes amounted to $867 (2011 - $5,451). Interest payable on the notes amounted to $Nil at December 31, 2012 (December 31, 2011 - $5,451) and is also included in notes payable.

c) During the year ended December 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.

d) At December 31, 2012 accounts payable and accrued liabilities included $15,740 (December 31, 2011 - $Nil) payable to officers and directors relating to expenses paid on behalf of the Company.

e) On February 18, 2011, pursuant to a resolution passed by disinterested shareholders on November 24, 2010, the Company issued 2,477,000 common shares at a price of five cents per share to settle debt in the amount of $123,850 as more fully described in note 5(b)(i).

f) Forgiveness of debt includes $Nil (2011 - $11,926) forgiven by Global, $Nil (2011 - $26,250) forgiven by a company controlled by officers and directors of the Company and $Nil (2011 - $67,800) forgiven by former officers and directors of the Company.

Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the years were as follows:

	2012	2011
Salaries and benefits	$ 3,113	$ 50,850

8. Income Taxes

The following table reconciles the expected income tax recovery at the Canadian Federal and Provincial statutory rate of 26.5% (2011 – 28.25%) to the amount recognized in the consolidated statements of comprehensive income (loss):

	2012	2011
Net income (loss) before recovery of income taxes	$ 73,933	$ (63,413)
Expected income tax expense (recovery)	$ 19,592	$ (17,914)
Non-deductible items		
Difference between current and future taxes, tax rate changes and other	-	2,061
Change in unrecognized deductible temporary differences	(19,592)	15,853
Income tax recovery reflected in the consolidated statements of comprehensive income (loss)	$ -	$ -

(Expressed in Canadian dollars)

8. Income Taxes - continued

Unrecognized Deferred Tax Assets

Deferred income tax assets have not been recognized in respect of the following items:

	2012	2011
Non-capital losses	$ 3,027,224	$ 3,101,157
Deductible temporary differences	$ -	$ 80,000

The non-capital loss carry forwards expire as noted below. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

2014	$ 167,168
2015	1,954,352
2027	336,580
2028	258,923
2029	109,518
2030	111,294
2031	89,389
	$ 3,027,224

9. Risk Management and Financial Risks

Capital Management

The Company manages its shareholders' equity (currently a deficiency) 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 December 31, 2012, the Company had a deficiency in working capital. The Company had a cash balance of $9,675 (December 31, 2011 - $8,850) to settle current liabilities of $68,331 (December 31, 2011 - $191,439).

10. Notes Payable

In April, 2011 the Company received a $32,000 note from a family member of the 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 year ended December 31, 2012 was $563 (2011 - $4,161). The Company entered into an additional loan agreement with a 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 year ended December 31, 2012 was $304 (2011 - $1,290).

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. In the second quarter of 2012, 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. Effective December 31, 2012, the Company was released from any obligations under the promissory notes.

11. Claim Settlement

In April, 2012 the Company received a demand letter for a guarantee executed on January 25, 2007 by the Company for a loan payable from its former subsidiary Global Development Resources, Inc. (USA). The payment demands on the loan were from an individual and two trusts and totaled US$6,359,630. As at December 31, 2011 the Company recorded a provision of $80,000, which was management's estimate of the liability in relation to the contingency at the time.

On December 31, 2012 the Company was released from the guarantee agreement previously received and paid $39,651 (US$40,000) for the release of the guarantee which released the Company from all related potential liabilities.