

## Cardinal Capital Partners Inc. (formerly GDV Resources Inc.)

### Management Discussion & Analysis

Dated: August 29, 2013

The following information should be read in conjunction with the Cardinal Capital Partners Inc. (formerly GDV Resources Inc.) consolidated condensed interim financial statements for the periods ended June 30, 2013 and 2012, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are expressed in Canadian dollars unless otherwise indicated.

Cardinal Capital Partners Inc. (formerly GDV Resources Inc.) ("the Company" or "Cardinal") 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. Management plans to apply for reactivation of its merchant banking operations with the TSX Venture Exchange (the "TSXV"). Subject to a financing, the Company's merchant banking operations will primarily be to provide secured bridge loans or secured convertible loans of up to \$500,000 to micro-cap companies listed on the TSXV. Completion of the reactivation is subject to a number of conditions, including but not limited to, TSXV acceptance and a debt or equity financing. There can be no assurance that the reactivation will be completed as proposed or at all.

### Overall Performance

As at June 30, 2013 the Company had \$129,480 in assets (December 31, 2012 - \$9,675) which consisted of cash of \$79,381, bridge loans of \$50,000 and interest and fees receivable of \$99 (December 31, 2012 - cash of \$9,675).

For the six months ended June 30, 2013 Cardinal had a net loss of \$7,889 or \$0.00 per share compared to a net loss of \$37,231 or \$0.01 per share for the same period in 2012.

### Operating Results for the Six Months Ended June 30, 2013

#### Revenues

The Company had revenue of \$228 during the six months ended June 30, 2013 (2012 - \$Nil) which consisted of \$99 in interest and \$129 in other loan fees. As the Company has ceased operations, the future trend will be minimal revenues.

#### General and Administrative Expenses

General office and administration totaled \$8,117 as opposed to \$36,364 for the same period in 2012. As the Company has ceased operations, the expected trend is to be minimal general and administrative expenses.

#### Interest Expense

Interest expense totaled \$Nil (2012 - \$867) for the period. Interest expense relates to a \$37,000 note payable advanced during the second quarter of 2011 by a family member of the former Chairman of the Company and a \$20,000 note payable advanced during the third quarter of 2011 from a former Director. As the notes were fully repaid in February, 2012 interest expense is expected to be minimal in future periods.

#### Net Loss

Net loss for the period ended June 30, 2013 totaled \$7,889 or \$0.00 per share versus \$37,231 or \$0.01 per share for the same period in 2012.

## Operating Results for the Three Months Ended June 30, 2013

### Revenues

The Company had revenue of \$228 during the three months ended June 30, 2013 (2012 - \$Nil) which consisted of \$99 in interest and \$129 in other loan fees. As the Company has ceased operations, the future trend will be minimal revenues.

### General and Administrative Expenses

General office and administration totaled \$3,926 as opposed to \$15,790 for the same period in 2012. As the Company has ceased operations, the expected trend is to be minimal general and administrative expenses.

### Net Loss

Net loss for the quarter ended June 30, 2013 totaled \$3,698 or \$0.00 per share versus \$15,790 or \$0.00 per share for the same period in 2012.

## Summary of Quarterly Results

For the quarters ended	Jun 30/13	Mar 31/13	Dec 31/12	Sep 30/12
Total revenue	\$ 228	\$ -	\$ -	\$ -
Net income (loss) for the period	(3,698)	(4,191)	125,891	(14,727)
Net income (loss) per share <sup>(1)</sup>	\$ (0.00)	\$ (0.00)	\$ 0.02	\$ (0.00)

For the quarters ended	Jun 30/12	Mar 31/12	Dec 31/11	Sep 30/11
Total revenue	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the period	(15,790)	(21,441)	32,187	(32,022)
Net income (loss) per share <sup>(1)</sup>	\$ (0.00)	\$ (0.00)	\$ 0.02	\$ (0.01)

(1) Net income (loss) per share has been calculated using the weighted average number of common shares during each period. Diluted income (loss) per share was not calculated as it would be anti-dilutive.

## Liquidity

As at June 30, 2013, the Company had a cash balance of \$79,381 (December 31, 2012 - \$9,675) to settle current liabilities of \$71,025 (December 31, 2012 - \$68,331). All of the Company's financial liabilities have contractual maturities of less than one year. Management is continuing to follow up on additional financing 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 continue to fund its operations.

## Capital Resources

Management is not aware of any significant commitments or expected fluctuations with respect to its Capital Resources at the date of its interim financial statements.

## Off-balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at the date of its financial statements.

## Transactions with Related Parties

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

General office and administration expenses include management fees in the amount of \$Nil (2012 - \$3,113) which were charged by companies controlled by current officers and directors of the Company.

At June 30, 2013 accounts payable and accrued liabilities included \$27,150 (December 31, 2012 - \$15,740) payable to officers and directors relating to expenses paid on behalf of the Company.

Interest expense included Nil (2012 - \$867) earned by former directors of the Company as described in the operating results above.

## Compensation of key management personnel

The remuneration expense of directors and other members of key management personnel during the periods ended June 30 2013 and 2012 were as follows:

	2013	2012
Salaries and benefits	-	3,113

## Disclosure of Management Compensation

The Company does not have any standard compensation agreements with directors or officers as of the date of this report. During the quarter ended March 31, 2012, management and administrative fees were paid to companies controlled by CEO, Chris Carmichael and former CEO, A. Thomas Griffis in the amount of \$1,983 and \$1,130 respectively.

## Proposed Transactions

Management plans to apply for reactivation of its merchant banking operations with the TSX Venture Exchange (the "TSXV"). Subject to a financing, the Company's merchant banking operations will primarily be to provide secured bridge loans or secured convertible loans of up to \$500,000 to micro-cap companies listed on the TSXV. Completion of the reactivation is subject to a number of conditions, including but not limited to, TSXV acceptance and a debt or equity financing. There can be no assurance that the reactivation will be completed as proposed or at all.

## Critical Accounting Estimates

The preparation of the accompanying 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.

## 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. Interest and loan fees receivable and bridge loans and notes receivable are designated as loans and receivables which are measured at amortized cost, subject to impairment reviews. Accounts payable, accrued liabilities and notes payable are designated as other financial liabilities which are measured at amortized cost.

## Risks and Uncertainties

### Risk Management

The success of Cardinal is dependent upon its ability to assess and manage all forms of risk that affect its operations. Cardinal is exposed to many factors that could adversely affect its business, financial conditions or operating results. Developing policies and procedures to identify risk and the implementation of appropriate risk management policies and procedures is the responsibility of senior management and the Board of Directors. The Board directly, or through its committees, reviews and approves these policies and procedures, and monitors their compliance with them through ongoing reporting requirements. A description of the Company's most prominent risks follows.

### Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at June 30, 2013, the Company had a cash balance of \$79,381 (December 31, 2012 -\$9,675) to settle current liabilities of \$71,025 (December 31, 2012 - \$68,331). All of the Company's financial liabilities have contractual maturities of less than one year. Management is continuing to follow up on additional financing 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 continue to fund its operations.

### Credit Risk

Concentration of credit risk may arise from exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet their current obligations is expected to be affected similarly by changes in economic or other conditions. Senior management is committed to several processes to ensure that this risk is appropriately mitigated. These include:

- the investigation of the creditworthiness of all borrowers;
- the engagement of qualified independent consultants such as lawyers and real estate appraisers, dedicated to protecting the Company's interests;
- the segregation of duties to ensure that qualified staff are satisfied with all due diligence requirements prior to funding; and
- the prompt initiation of recovery procedures on overdue loans.

## Other Data

Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

## Share Data

### Outstanding Shares

Common Shares	9,566,579
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### Outstanding Options and Warrants

None

### Subsequent Events

There were no subsequent events that would have a material impact on this Management Discussion and Analysis.

### Forward-Looking Information

These materials include certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Other than statement of historical fact, all statements in this material, including, without limitation, statements regarding disclosure of contingent liabilities at the date of the consolidated financial statements and financial statement items subject to significant management judgment include revenue recognition; loan impairment and losses; the valuation of accounts receivable, the valuation of bridge loans and development and rental properties, future income tax assets, estimated asset retirement obligations, and future plans and objectives of the Company, are forward-looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of these materials. Important factors that could cause actual results to differ materially from the Company’s expectations include, without limitation, the level of bridge loans completed, the nature and credit quality of the collateral security, estimated asset retirement obligations, as well as those factors discussed in the Company’s documents filed from time to time with the TSX Venture Exchange, Canadian securities regulators and other regulatory authorities. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.