This is Exhibit "AA" to the Affidavit of Ronald J. Goguen sworn to on the 27th day of August 2012.

Jeffrey R. Parker
Commissioner of Oaths
Being a Solicitor

From: Lyle Bolen [mailto:lyle.bolen@crowncapital.ca]
Sent: Wednesday, June 13, 2012 12:59 PM
To: Roger Rogers
Subject: FW: Landdrill cash flow

Hi Roger:

Based on my last call with Derrick and the Company's forecast, I put together, for Chris Johnson, a summarized assessment (below) of the key items that will impact LDI cash flow in 2012.

Lyle

From: Lyle Bolen
Sent: Thursday, May 31, 2012 3:32 PM
To: Chris Johnson
Subject: Landdrill cash flow

Here's a summary of my analysis of Landdrill's cash forecast. Please let me know if you need more details or have any questions.

1. The Company ended March with $846k in cash. Forecast cash is expected to stay at approx. $1.0 million until November, then increase to $3.4 million at Dec. 31

2. EBITDA was neg. $78k in Q1 but is expected to total $6.5 million for the year. Over half of this comes in Q3.

3. Derek tries to keep cash at around $1.0 million through most of the year, mainly through management of accounts payable. Payables were at $9.9M at March 31 and will increase to $11.5M in Q3.

4. Because Dec. revenues are very low, cash ramps up at year end as A/R from earlier sales is collected while A/P drops, although not to the same extent. (The cash pick up on the difference between A/R and A/P in Q4 is about $1.4M.)

5. Inventory reductions are being implemented over the Q2-Q4 period with the goal to reduce inventory by $100k/month

6. Excess inventory related to 9 rigs held for sale is expected to generate another $900k in cash in Q3 and Q4. Sale of the rigs is expected to raise another $900k

7. Capex during Q2-Q4 will require $1.5 million, mostly in Q2 and Q3

8. Debt repayment to GE will use approx. $900k between Q2 and Q4

9. Additionally, the Company has a $500k promissory note with a shareholder and friend of Ron's that Landdrill plans to repay in Dec. This note was paid in March/12 and a new note issued in April.

10. The Company plans to sell, in December, the shares it holds in a customer(s?) for about $225k.

It is critical that Landdrill builds up enough cash by the end of Q4 to carry it through the normally-slow period in late Dec. and January.

A few of Derek's assumptions, if they don't come to pass, could throw the forecast significantly offside. Besides the obvious need to generate the forecast EBITDA, the sale of rigs and related inventory for $1.8 million (#6 above) is key to building cash in late Q4. Reducing regular inventory by about 10% this year (#5 above) also is needed to raise about $1.0M. The sale of the marketable securities (#10) is less important but still accounts for $225k in the forecast. <u>These 3 items account for almost all the cash at year end.</u>

Other than cutting overhead, there are not a lot of options for preserving cash if some of these events don't come to pass. The company could refinance or simply decline to repay the promissory note in Dec., preserving $500k (#9). The Company can stretch its A/P further but it risks losing credit with key suppliers. It is currently not on a cash basis with any suppliers but it was back in March before we provided financing and they reduced A/P by $2.1M. Bad debts are forecast at nil but a general slowdown in the mining sector would likely reduce A/R collections, especially from the junior miners which make up about 25% of Landdrill's business. Landdrill has already cut back work for Gold Bullion, one of its top Canadian customers over the last two years, because of credit concerns.

Cutting overhead to preserve cash would have to focus on OH salaries, consultants and professional fees which, combined, total about $425k/month (approx. 60% of total overhead).

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