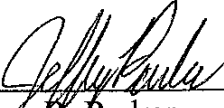


This is Exhibit "X" to the Affidavit of
Ronald J. Goguen sworn to on the 27th
day of August 2012.



Jeffrey R. Parker
Commissioner of Oaths
Being a Solicitor

COURT FILE NO.

CV-12-461857

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

GOLD CANYON RESOURCES INC.

RECEIVED

AUG 23 2012

9h10Am Plaintiff

- and -

LANDDRILL INTERNATIONAL INC.

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiffs. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiffs' lawyer or, where the plaintiffs do not have a lawyer, serve it on the plaintiffs, and file it, with proof of service in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

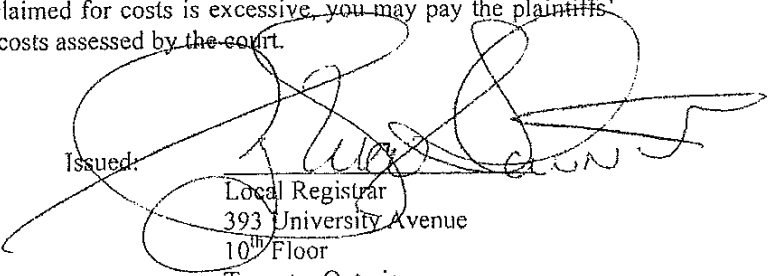
IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY

**LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A
LOCAL LEGAL AID OFFICE.**

IF YOU PAY THE PLAINTIFF'S CLAIM and \$1,000 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiffs' claim and \$100 for costs and have the costs assessed by the court.

Date: August 21, 2012

Issued:


Local Registrar
393 University Avenue
10th Floor
Toronto, Ontario
M5G 1T7/EL6

TO: LANDDRILL INTERNATIONAL INC.
160 MacNaughton Avenue
Moncton, New Brunswick
E1H 3L9

Attention: Michael D. Tripp

Phone: (506) 388-8100, ext. 265
Fax: (506) 388-8990
Email: mtripp@landdrill.com

THE PLAINTIFF'S CLAIM

1. The plaintiff, Gold Canyon Resources Inc. ("Gold Canyon"), claims against the defendant Landdrill International Inc. ("Landdrill"), for:
 - a. Damages in the amount of \$300,000 for breach of trust;
 - b. In the alternative, damages in the amount of \$300,000 for breach of contract;
 - c. In the further alternative, an order for Landdrill to disgorge all monies received by way of deposit from Gold Canyon on the basis of the doctrine of unjust enrichment;
 - d. Consequential damages in an amount to be specified prior to trial, including, without limitation, for lost profits, lost business value, and lost use of rental equipment;
 - e. Prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended;
 - f. Costs of this action on a substantial indemnity basis together with all applicable taxes thereon; and,
 - g. Such further and other relief as this Honourable Court may deem just.

THE PARTIES

2. The plaintiff, Gold Canyon, is a Canadian-based unique mineral exploration company incorporated pursuant to the laws of the province of British Columbia. Gold Canyon currently trades on the TSX Venture Exchange under the symbol "GCU".
3. The defendant, Landdrill, is a Canadian-based company that specializes in providing mining-related equipment and exploration drilling services, including the necessary drilling rigs and related tools. Landdrill currently trades on the TSX Venture Exchange under the symbol "LDP".

THE SERVICE AGREEMENT

4. In or around May 2011, Gold Canyon and Landdrill entered into a Contract Agreement/Memorandum of Agreement (the "Service Agreement") for Landdrill to provide drilling related services (the "Services") to Gold Canyon as part of Gold Canyon's 2011 summer drilling program at its Springpole property in the province of Ontario.
5. Prior to signing the Service Agreement, Landdrill was made aware, understood and agreed that the Services were to be provided at the Springpole property starting in or around early June, 2011 and to continue until in or around October, 2011. Landdrill represented to Gold Canyon that it would be able to perform the services contemplated under the Service Agreement in accordance with this timeline. It was an implied term of the Service Agreement that the Services would be provided at the Springpole property starting in or around June, 2011.

6. As part of the Service Agreement, it was agreed that Gold Canyon would provide Landdrill with a security deposit in the amount of \$100,000 to be held in trust by Landdrill and applied to Landdrill's last invoice.
7. On or around May 27, 2011, Landdrill sent Gold Canyon an invoice for the deposit for work to be done on the Springpole property in Ontario in the amount of \$300,000. In reliance on Landdrill's representations, Gold Canyon promptly paid the entire \$300,000 deposit to Landdrill.

NON-PERFORMANCE OF SERVICE AGREEMENT

8. Landdrill failed to provide any of the services contemplated under the Service Agreement and did not deliver to Gold Canyon any invoices for services rendered. The only invoice Gold Canyon received from Landdrill was the invoice dated May 27, 2011 for the deposit for work to be done on the Springpole property.

LANDDRILL HAS REFUSED TO RETURN THE DEPOSIT

9. Despite receiving several demands from Gold Canyon for the return of the entire \$300,000 deposit payment after Landdrill's breach of the Service Agreement, Landdrill has failed to repay the deposit.
10. Gold Canyon pleads that \$200,000 of the total \$300,000 deposit payment was paid by mistake in response to Landdrill's May 27, 2011 invoice. The Service Agreement clearly stipulates that the deposit shall be in the amount of \$100,000.

11. Gold Canyon pleads that the entire \$300,000 deposit payment is held by Landdrill in an express, implied or constructive trust.

12. Gold Canyon pleads that Landdrill's failure to return the entire \$300,000 deposit payment constitutes a breach of trust by Landdrill.

LANDDRILL'S BREACH OF CONTRACT

13. Gold Canyon pleads that Landdrill's non-performance constituted a breach of the Service Agreement which resulted in damages being suffered by Gold Canyon, including, but not limited to, the following:

- a. \$300,000 plus applicable interest for the deposit payment made by Gold Canyon to Landdrill on or around May 27, 2011;
- b. Loss in profits and business value related to Gold Canyon's failure to maximize its 2011 summer drilling program and related revenues and value as a result of Landdrill's non-performance and breach of the Service Agreement; and,
- c. Loss of approximately \$50,000 representing the cost of renting two barges which sat idle as a result of Landdrill's non-performance and breach of the Service Agreement.

14. In addition, as a result of Landdrill's breach of the Service Agreement, Gold Canyon was forced to employ the services of an alternate contractor at rates higher than the rates negotiated with Landdrill in order to mitigate its losses.

UNJUST ENRICHMENT

15. Gold Canyon pleads that Landdrill has been unjustly enriched as a result of its failure to return the \$300,000 deposit payment; that Gold Canyon has suffered a corresponding deprivation; and that there is no juristic reason for Landdrill's enrichment.

SERVICE OUTSIDE ONTARIO

16. The originating process may be served without court order outside Ontario for the following reasons:

- a. The Service Agreement provides that it is to be governed by or interpreted in accordance with the law of Ontario (Rule 17.02(f)(ii)); and,
- b. The parties to the Service Agreement have agreed that the courts of Ontario are to have jurisdiction over legal proceedings in respect of the contract (Rule 17.02(f)(iii)).

17. Gold Canyon proposes that this action be tried in Toronto.

August 21, 2012

GROIA & COMPANY
Professional Corporation ■ Lawyers
Wildeboer Dellelce Place
365 Bay Street, 11th Floor
Toronto, Ontario M5H 2V1

Tel: 416-203-2115
Fax: 416-203-9231

Joseph Groia, LSUC No. 20612J
David Sischy, LSUC No. 57268B

Lawyers for the Plaintiff,
Gold Canyon Resources Inc.

COURT FILE No.: *CV-2461857*

GOLD CANYON RESOURCES INC.
Plaintiff

and

LANDDRILL INTERNATIONAL INC.
Defendant

ONTARIO
SUPERIOR COURT OF JUSTICE
(Proceeding commenced at Toronto)

STATEMENT OF CLAIM

GROIA & COMPANY
Professional Corporation ■ Lawyers
Wildeboer Dellelce Place
365 Bay Street, 11th Floor
Toronto, Ontario M5H 2V1
Tel: 416-203-2115
Fax: 416-203-9231

Joseph Groia, LSUC No. 20612J
David Sischy, LSUC No. 57268B

Lawyers for the Plaintiff,
Gold Canyon Resources Inc.

