This is Exhibit "Z" 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: Derrick West [mailto:dwest@landdrill.com]
Sent: Tuesday, May 29, 2012 10:34 AM
To: Lyle Bolen
Subject: RE: Action plan

Hi Lyle,

With apologies, here is the document.

I am available to discuss.

Sincerely,
Derrick

From: Lyle Bolen [mailto:lyle.bolen@crowncapital.ca]
Sent: May-29-12 12:27 PM
To: Derrick West
Subject: RE: Action plan
Importance: High

Hi Derrick:

Can you send the action plan this morning? I am away from Friday June 1st until June 8th and need to review it with you this week.

Lyle Bolen
Crown Capital Partners Inc.
phone: 306-373-2423
fax: 306-546-8010
email: Lyle.bolen@crowncapital.ca

DIAGNOSTIC PROBLEMS / ACTION PLAN (INITIATIVES) – TO IMPROVE OPERATIONS – MAY29/12

CANADA - 23 Rigs

PROBLEM

The poor gross margins during F2011 Q4 & F2012 Q1 was as a direct result of the large influx of new drillers who were either in-experienced or experienced but were not up to LDI standard (poor performing drillers).

	Revenue	Gross Margin		Overheads (G&A)		EBITDA	
	$	$	%	$	%	$	%
F12 Q1	$ 7,313,000	$ 412,000	5.6%	$ 497,000	6.8%	$ (85,000)	-1.2%
F2011	$ 36,010,000	$ 9,944,000	27.6%	$ 1,799,000	5.0%	$ 8,145,000	22.6%
F2010	$ 23,496,000	$ 8,034,000	34.2%	$ 1,515,000	6.4%	$ 6,519,000	27.7%

SPECIFIC ISSUE in FIELD

- The CDN branches revenue went from $11m to $36m over 2009 – 2011 – those two years. This tripling of the labour force, combined with some retention issues – resulted in LDI having a significant % of their driller pool with limited work experience
- Drillers were not achieving the appropriate level of meters/per shift (drillers were going too slow)
- Damaging the Equipment – the inexperienced drillers were not managing the equipment well and this created significant downtime. This caused two problems:
  - no billings, but still have costs; and,
  - created extra expenses relating to equipment repairs
- Lost well qualified experienced drillers due to LDI's full roll-out of their zero tolerance drug testing program
- Poor communication from field staff to the Branch Manager – poor paperwork and poor verbal communication (from Foremen to Field Supervisor to Branch Manager to VP Operations to CEO and CFO)
- Insufficient management presence in Wabush Labrador

SOLUTION

Requires improvements and efforts around general management, field supervision, equipment management, training, generating an influx of more experienced drillers and improving/streamlining the information reporting from the field (to Branch Manager and senior management at head office).

INITIATIVES

Management / Field Supervision

- LDI needs a permanent management presence for their Wabush Labrador operation. This region operates 5-8 rigs on 2-4 jobs (right now the Wabush operations is only running 3 rigs on 1 jobs however this is expected to increase). The Canadian Branch has appointed two experienced Foremen to share the responsibilities for the Wabush operation (Andre Bijou & Patrick Dion). Andre & Patrick are each doing 15 days on/off – thereby allowing for permanent presence in Wabush. These two Foreman will report to Daniel Thellend (the CDN Branch Manager). The two jobs in this region are both close to the office/shop in Wabush, Labrador and so their presence will significantly improve the supervision of these jobs
- Recent promotion of an experienced Foreman (Jean Luneau) to Field Operations Manager (ie – the Assistant Branch Mng) and the re-focusing of his priorities. During Q1 he was this new position, however he was spending too much time in the office (on hiring new drillers). His time has been re-prioritized to the field and the hiring/scheduling work is now being done by pre-existing office staff
- The CDN Branch Manager (Daniel) is now spending more time in the field, visiting various jobs including Wabush Labrador jobs. He will spend less time on paperwork as this will be done by CDN Operations Coordinator (new position – based at head office)
- This office related paperwork for the CDN Branch will now be monitored a/o done by the CDN Operations Coordinator (Wade Goguen). This gentlemen works out of Moncton head office and will coordinate information reporting for the CDN Branch to head office management - which will streamline the delivery of key job related information. This individual has worked with MDI for over 7 years in various field and managerial positions and he is also a Director of LDI
- The CEO is aggressively sourcing out a new experienced Branch Manager. The new hire is to have a balance between office work (organization/reporting) and field knowledge (drilling experience). The current CDN Branch Manager (Daniel) will be moved into the field

Assistant Foremen / Mechanics

- Currently there is a Foreman for each job (jobs have between 1 to 5 rigs)
- For jobs that have 3 or more rigs they have an Assistant Foremen – to assist the supervision. However the supervisor has been spending 50% of their time doing drill rig repair work, rather than supervising production. Also for the other 50% of the time they were not doing sufficient supervision and training of the newer more inexperienced drillers. With the extra supervision coming from all of the CDN Branch Mng, Field Operations Mng and more from Foremen – the Assistant Foremen is no longer required and his role will be replaced by a trained mechanic. This will keep the drills active and thereby allow the Foremen to dedicate their time to general supervision and training of the younger a/o less experienced drillers
- LDI recently hired a common core trainer (fully certified) to train the Foremen on how to properly train drillers and he is also directly trains the drillers (all new drillers) – called common core course

Drillers – Attraction & Retention of Experience Drillers

- Still trying to get more experience drillers and would then let go a few of the poor performers
- Short Term – with the Spring thaw in Canada, the rig deployment goes through a temporary slowdown and so during this slowdown the Company will operate approximately 12 drills and this would require 36 drillers. The Company currently has 36 experienced/qualified drillers and as such the Company would expect that the job performance would improve at this level of operations.
- Mid Term – The Company should be operating back to about 18-20 of their 23 drill rigs by the end of the Summer and operating 18 rigs requires 54 drillers (an increase of 18) and so this Branch will require training on the less experienced/productive drillers - so that when they are deployed they achieve certain minimum meters per shift. So the Company plans to:
    - The Branch has been in contact with the Diamond Drilling Training School in order to obtain graduates for the driller assistants (ie – called Helpers). This will provide access to more labour while also obtaining 'pre-trained' junior field staff
    - increase the training program of the junior field staff (LDI in-house trainer)
    - increase the field supervision (as discussed above) – thereby providing fast training of the less experienced drillers
    - Amend bonus program to make more rewarding for experienced drillers – with the objective of obtaining new drillers, but who have significant experienced and proven abilities

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MEXICO – 19 Rigs

This Branch has significantly improved financial results and so there are no significant initiatives planned. In summary this Branch has the following improvements around billings, gross margins and EBITDA.

	Revenue	Gross Margin		Overheads (G&A)		EBITDA	
	$	$	%	$	%	$	%
F12 Q1	$ 6,095,000	$ 1,646,000	27.0%	$ 352,000	5.8%	$ 1,294,000	21.2%
F2011	$ 20,479,000	$ 3,571,000	17.4%	$ 1,887,000	9.2%	$ 1,684,000	8.2%
F2010	$ 7,587,000	$ 622,000	8.2%	$ 879,000	11.6%	$ (257,000)	-3.4%

The Mexican Branch has increased from 2010's 10 drill Branch to a 19 drill operation. In doing so, this Branch had significant 'growing pains' in 2011, as the branches gross margin was below the minimum expectation of 30% (management minimum expectations for all Branches). During 2012, this Branch's gross margin has begun to approximate expectations and as a result it is now a significant cash contributing operation.

There are no significant initiatives planned for this Branch other than the implementation of a Company wide job monitoring program - that will be more pro-active in reacting to unprofitable jobs, so that on poor performing contracts that the Branch Manager will either:

- Initiate contract pricing changes; or failing this,
- Ensure there is an early wind up of to the job.

MONGOLIA – 6 Rigs

The financial results for the past 2 fiscal years and fiscal 2012's first quarter are as follows:

	Revenue	Gross Margin		Overheads (G&A)		EBITDA	
	$	$	%	$	%	$	%
F12 Q1	$ 993,000	$ 132,000	13.3%	$ 171,000	17.2%	$ (39,000)	-3.9%
F2011	$ 5,995,000	$ 1,336,000	22.3%	$ 1,122,000	18.7%	$ 214,000	3.6%
F2010	$ 2,307,000	$ 287,000	12.4%	$ 284,000	12.3%	$ 3,000	0.1%

This Branch has undergone transition over the last 3 years in that:

- 2010 – this Branch was planned to be closed (sold as a going concern) and so few drilling contracts were taken
- 2011 – the Company re-committed to this Branch in early 2011 as the adverse tax legislation in Mongolia was repealed. During 2011 the Company added 5 new rigs to the Branch, however the new rigs only arrived in the Fall 2011 and for most of the year there was only 1-3 rigs available (2 rigs had been sold in early 2011), thereby limiting revenue and overall financial results
- 2012 – the Branch entered 2012 with 6 rigs, it retired one older conventional rig and in April it received the multi-purpose rig from Russia - leaving this Branch with 6 modern rigs. During the first quarter of 2012 this Branch's revenue is normally quite nominal as the weather conditions are not generally favorable for drilling. With the 5 rigs added in Fall 2011 the Branch deployed them and attempted to keep them running throughout this Winter – unfortunately this resulted in poor gross margins (as this year's weather was particularly severe in Mongolia). During late April and early May there was some political instability and as a consequence drilling slowed. During April the Mongolian government started to pull drilling permits from many mining companies, however it is generally expected that these permits will all be re-issued after the June parliamentary elections. The Company is expected to deploy 4-5 rigs during July, however the May-June period will only have 1 rig deployed

There are no significant initiatives planned for this Branch, as it is felt that once the 6 modern rigs are deployed over the Summer - that the Branch will achieve the appropriate production and therefore obtain good gross margins.

As with the other Branches, this Branch will implement an improved job monitoring program - that will be more pro-active in reacting to unprofitable jobs, so that on poor performing contracts that the Branch Manager will either:

- Initiate contract pricing changes; or failing this,
- Ensure there is an early wind up of to the job.

RUSSIA

The Company will not be engaging in any further drilling operations in Russia. The last contract was completed in November 2011.

This Branch will be relocating all 5 drills, related support equipment and inventory – that has a cumulative accounting value of $1.2 million to Mongolia.

Move of these assets will be re-sold within the used equipment market in Mongolia (good market for this). The Mongolian Branch will be keeping the multi-purpose rig and its inventory, however the other four drills will be sold during 2012.

The multi-purpose rig was the first asset sent to Mongolia and it was received in Mongolia during May 2012.

This Branch will be closed once the assets are all moved to Mongolia and based on 2011 actual costs this will save the Company approximately $800,000 in annual overhead costs.
