Interim Condensed Consolidated Financial Statements of

BENEV CAPITAL INC.

Three months ended March 31, 2013 and 2012
(Unaudited)

BENEV CAPITAL INC.

Interim Condensed Consolidated Statement of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$ 63,420,802	$ 63,856,221
Restricted cash (note 4)	513,029	513,052
Amounts receivable	140,909	1,645,903
Assets held for sale (note 5)	7,589,643	-
Deferred costs (note 7)	-	40,224
Prepaid expenses and other	184,768	488,780
	71,849,151	66,544,180
Property, plant and equipment	46,911	7,243,868
Assets under finance lease	-	186,534
	$ 71,896,062	$ 73,974,582
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 403,648	$ 1,974,460
Current tax liabilities	168,923	144,134
Liabilities related to assets held for sale (note 5)	358,221	-
Provisions (note 8)	126,525	125,974
Current portion of finance lease obligations	-	32,642
Current portion of long-term liabilities (note 9)	79,000	79,000
	1,136,317	2,356,210
Long-term liabilities (note 9)	641,638	658,881
Shareholders' equity:		
Share capital (note 10)	96,969,879	96,969,879
Contributed surplus (note 11)	8,472,183	8,414,394
Accumulated deficit	(35,323,955)	(34,424,782)
Total equity	70,118,107	70,959,491
	$ 71,896,062	$ 73,974,582

Contingencies (note 14)

See accompanying notes to interim condensed consolidated financial statements.

BENEV CAPITAL INC.

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(Expressed in Canadian dollars)
For the three months ended March 31

	2013	2012
Sales	$ -	$ -
Expenses:		
Operating costs	287,924	461,770
Administration and business development	699,995	1,220,840
Amortization	130,375	194,100
	1,118,294	1,876,710
Operating loss	(1,118,294)	(1,876,710)
Finance income	226,879	536,724
Finance costs	(7,758)	(54,209)
Net finance income	219,121	482,515
Loss before income taxes	(899,173)	(1,394,195)
Income taxes recovery	-	(172,000)
Net loss for the period, being comprehensive loss	$ (899,173)	$ (1,222,195)
Loss per share (note 12)		
Basic loss per share	$ (0.02)	$ (0.03)
Diluted loss per share	(0.02)	(0.03)

See accompanying notes to interim condensed consolidated financial statements.

BENEV CAPITAL INC.

Interim Condensed Consolidated Statement of Changes in Equity (continued)
(Unaudited)
(Expressed in Canadian dollars)
For the three months ended March 31, 2013

	Attributable to equity holders of the Company				
	Share capital	**Contributed surplus**	**Share purchase warrants**	**Accumulated deficit**	**Total equity**
Balance at January 1, 2012	$ 96,969,879	$ 4,873,827	$ 2,721,131	$ (43,724,979)	$ 60,839,858
Comprehensive loss for the period	-	-	-	(1,222,195)	(1,222,195)
Share-based compensation	-	219,572	-	-	219,572
Balance at March 31, 2012	$ 96,969,879	$ 5,093,399	$ 2,721,131	$ (44,947,174)	$ 59,837,235
Balance at January 1, 2013	$ 96,969,879	$ 8,414,394	$ -	$ (34,424,782)	$ 70,959,491
Comprehensive loss for the period	-	-	-	(899,173)	(899,173)
Share-based compensation	-	57,789	-	-	57,789
Balance at March 31, 2013	$ 96,969,879	$ 8,472,183	$ -	$ (35,323,955)	$ 70,118,107

See accompanying notes to interim condensed consolidated financial statements.

BENEV CAPITAL INC.

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)
For the three months ended March 31

	2013	2012
Cash flows from operating activities:		
Net loss for the period, being comprehensive loss	$ (899,173)	$ (1,222,195)
Adjustments for:		
Amortization	130,375	194,100
Unwinding of discount on provisions	2,507	2,574
Share-based compensation	57,789	219,572
Income tax recovery	-	(172,000)
Change in non-cash working capital items:		
Amounts receivable	1,504,994	(410,244)
Prepaid expenses and other	166,449	131,415
Deferred costs	(5,334)	(2,386,749)
Accounts payable and accrued liabilities	(1,506,721)	1,146,994
Provisions	551	(495)
Deferred revenue	146,415	1,542,106
Current tax payable	24,789	(33,980)
Repayment of long-term liabilities	(19,750)	(19,750)
Net cash used for operating activities	(397,109)	(1,008,652)
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	(15,648)
Additions to assets held for sale	(23,100)	-
Change in restricted cash	23	(3,395)
Net cash used in investing activities	(23,077)	(19,043)
Cash flows from financing activities		
Payment of finance lease liabilities	(15,233)	(46,041)
Net cash used in financing activities	(15,233)	(46,041)
Net decrease in cash and cash equivalents	(435,419)	(1,073,736)
Cash and cash equivalents at beginning of period	63,856,221	58,720,802
Cash and cash equivalents at end of period	$ 63,420,802	$ 57,647,066

See accompanying notes to the interim condensed consolidated financial statements.

On June 22, 2012, the shareholders of the Company approved a change of the company's name from Bennett Environmental Inc. to BENEV Capital Inc. ("BCI"). On June 28, 2012, the Articles of Amendment giving effect to this name change were filed and made effective. BCI is a company domiciled in Canada. The interim condensed consolidated financial statements of BCI as at and for the three months ended March 31, 2013 are composed of BCI and its subsidiaries (together referred to as the "Company"). The Company was incorporated on July 29, 1992 under the Canada Business Corporation Act and primarily carries on the business of remediating hydrocarbon contaminated soil.

1. Continuing operations:

The Company has historically generated its revenues by treating contaminated soils at its single operating facility in Saint Ambroise, Quebec ("the facility") pursuant to contracts obtained in a competitive bidding process. The Company's customer base is composed mainly of government agencies, utilities, environmental services companies and industry. The number and size of the contracts obtained each year will vary depending on the funding of the projects and the timing of the processing of contaminated materials from customers.

The facility can only be run efficiently when operating continuously for extended periods. The sporadic level of demand for the Company's services is such that this facility is rarely operated continuously for extended periods. In order to maximize operating efficiency the Company has adopted a campaign approach which involves periods of shutdown during which inventories are stockpiled followed by periods of operation where the Company processes the accumulated inventories and the entire process is then repeated.

The Company commenced a new campaign to process soil on May 2, 2012 and operated continuously, with the exception of maintenance shutdowns, until December 4, 2012 when the current operating campaign at its Saint Ambroise facility ended and the facility was shut down. As at March 31, 2013 the Company held approximately 415 tonnes of untreated soil at its Saint Ambroise facility. The processing of all soil held in inventory will not commence until sufficient material has been received for the efficient operation of the facility.

On March 7, 2013 the Company entered into an agreement to sell the Saint Ambroise facility (see note 5). After that sale closes the Company will no longer have any operating facilities.

As at March 31, 2013 the Company has sufficient cash available to fund its operating needs for the foreseeable future.

2. Basis of compliance:

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all of the information required for full annual financial statements. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012.

The interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2013.

3. Significant accounting policies:

These interim condensed consolidated financial statements have been prepared using the same accounting principles and policies as the annual financial statements for the year ended December 31, 2012 except for the adoption of new IFRS accounting standards as outlined below.

Amendments to IFRS 7 - Offsetting Financial Assets and Financial Liabilities:

In December 2011, the International Accounting Standards Board ("IASB") amended IFRS 7, Financial Instruments: Disclosures and added additional disclosure requirements for offsetting financial assets and financial liabilities in accordance with IAS 32 Financial Instruments: Presentation. The amendments are effective for annual periods beginning on or after January 1, 2013. The adoption of the amendments to IFRS 7 did not have a material impact on the financial statements.

IFRS 10 – Consolidation of Financial Statements and Interest in Other Entities:

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and Standing Interpretations Committee ("SIC") Interpretation 12 Consolidation - Special Purpose Entities. IFRS 10 defines the principle of control, establishes control as the basis for determining when entities are to be consolidated, and provides guidance on how to apply the principle of control to identify whether an investor controls an investee. Adoption of IFRS 10 did not have a material impact on the financial statements.

3. Significant accounting policies (continued):

IFRS 13 Fair Value Measurement:

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs, the effect of the measurements on profit or loss or other comprehensive income. Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as outlined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities.

Level 2 – Inputs, other than quoted market prices, that are observable either directly (i.e. observed prices) or indirectly (i.e. derived from prices or markets).

Level 3 – Inputs for the assets or liabilities are not based on observable market data.

The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any changes to the valuation techniques used by the Company to measure fair value or any measurement adjustments as at January 1, 2013. The additional disclosures required by IFRS 13 are included in note 13.

Amendments to IAS 19 - Employee Benefits:

The IASB published an amended version of IAS 19 Employee Benefits in June 2011. The amendments will require that past service costs be recognized in full immediately in profit or loss. The amendments impact termination benefits, which would now be recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37, Provisions, and when the entity can no longer withdraw the offer of the termination benefits. Adoption of the amendments to IAS 19 did not have a material impact on the financial statements.

4. Cash and cash equivalents:

As at March 31, 2013, the Company had restricted cash of $513,029 (2012 - $513,052) which includes $12,043 (2012 - $12,045) as required under the Company's corporate credit card agreement and $500,986 (2012 - $501,007) security pledged for foreign exchange contracts.

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 13.

5. Assets held for sale and liabilities related to assets held for sale:

On March 7, 2013 the Company entered into a binding purchase and sale agreement ("the Agreement") to sell its Saint Ambroise, Quebec waste treatment plant and related assets and liabilities to 8439117 Canada Inc., a company controlled by the plant's current manager.

Under the Agreement, consideration is composed of $8 million in cash at closing plus an additional amount which could be as high as $2 million or more, contingent on a specific potential new contract being entered into within three years from the date of signing of the purchase agreement. The receipt of the potential new contract for any amount of contingent consideration cannot be assured. In addition, the purchase price will be adjusted for working capital at closing, and for certain new soil contracts received prior to closing. A copy of the Agreement has been filed on SEDAR, and the transaction was approved at a shareholders' meeting of BCI held on May 3, 2013.

The Saint Ambroise plant is the Company's sole operating facility and has been responsible for all of the Company's sales and a substantial portion of its expenses for the past four years. After the transaction closes, all of the sales and operating costs and substantially all of the amortization and some administrative and business development costs will not be recurring going forward.

Assets held for sale and the liabilities related to assets held for sale relate to the Saint Ambroise, Quebec waste treatment plant and are composed of the following:

		2013		2012
Assets held for sale:				
Deferred costs	$	45,558	$	-
Prepaid expenses and other		137,563		-
Property, plant and equipment		7,222,038		-
Assets under finance lease		184,484		-
	$	7,589,643	$	-

5. Assets held for sale and liabilities related to assets held for sale (continued):

		2013		2012
Liabilities related to assets held for sale:				
Accounts payable and accrued liabilities	$	194,397	$	-
Deferred revenue		146,415		-
Current portion of finance lease obligations		17,409		-
	$	358,221	$	-

6. Deferred tax assets and liabilities:

Unrecognized deferred tax assets:

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

		March 31, 2013		December 31, 2012
Non-capital tax losses	$	3,096,521	$	2,986,682
Property, plant and equipment		4,912,232		4,937,269
Share issue costs		203,085		233,281
Tenure/severance		199,475		204,971
Capital loss		55,788		53,842
Other		340,094		344,948
	$	8,807,195	$	8,760,993

The non-capital losses expire in the years 2028-2033. Deferred tax assets have not been recognized in respect of these items because it is not considered to be probable that future taxable profit will be available against which the Company can utilize the benefits.

7. Deferred revenue and costs:

Deferred revenue classified as current liabilities relates to cash received from customers where the revenue recognition has not occurred. If transportation costs are incurred they are also deferred until the soil has been remediated and the Company has determined that the contaminants have been destroyed in accordance with the contract terms. Transportation costs are reimbursable under the terms of the contracts.

8. Provisions:

Balance at December 31, 2011	$	139,551
Provisions used during the period		(13,207)
Change in foreign exchange rate		(370)
Balance at December 31, 2012	$	125,974
Provisions used during the period		-
Change in foreign exchange rate		551
Balance at March 31, 2013	$	126,525

No additional developments have occurred relating to the provisions as described in note 12 of the audited consolidated financial statements as at and for the year ended December 31, 2012 other than a foreign exchange adjustment to the U.S. denominated provisions as outlined in the chart above.

9. Long-term liabilities:

The tenure agreement is between the Company and its founder and former CEO. The tenure payments are made on a monthly basis in the amount of $6,583 ($79,000 annually). The tenure agreement expires on December 31, 2022 and is comprised as follows:

Balance January 1, 2012	$	810,193
Paid during 2012		(79,000)
Unwinding of discount		6,688
		737,881
Less current portion		(79,000)
Balance December 31, 2012	$	658,881

9. Long-term liabilities (continued):

Balance January 1, 2013	$	737,881
Paid during 2013		(19,750)
Unwinding of discount		2,507
		720,638
Less current portion		(79,000)
Balance March 31, 2013	$	641,638

10. Share capital:

The issued share capital of the Company is as follows:

	Common shares	Amount
Balance December 31, 2012 and March 31, 2013	38,685,562	$ 96,969,879

11. Share-based payment:

The following table summarizes information relating to outstanding and exercisable options at March 31, 2013:

	Options outstanding			Options exercisable	
Exercise prices	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price per share	Number exercisable	Weighted average exercise price per share
$ 0.24	93,335	0.96	$ 0.24	93,335	$ 0.24
$ 2.08	103,125	2.69	2.08	103,125	2.08
$ 2.12	1,281,000	3.23	2.12	150,000	2.12
	1,477,460		$ 2.00	346,460	$ 1.60

No stock options were granted during the three months ended March 31, 2013.

Total stock compensation expensed during the period was $57,789 (2012 – $219,572).

11. Share-based payment (continued):

Contributed surplus:

	Three months ended March 31, 2013	Three months ended March 31, 2012
Balance, beginning of period	$ 8,414,394	$ 4,873,827
Equity-based compensation charged to earnings	57,789	219,572
Balance, end of period	$ 8,472,183	$ 5,093,399

12. Loss per share:

Basic loss per share

The reconciliation of the losses for the period and weighted average number of common shares used to calculate basic and diluted earnings per share is as follows:

	2013	2012
Net loss for the period, being comprehensive loss	$ (899,173)	$ (1,222,195)
Basic and diluted loss per share	$ (0.02)	$ (0.03)
Weighted average number of shares:		
Basic	38,685,562	38,685,562
Diluted	38,685,562	38,685,562

Dilutive loss per share:

The calculation of diluted loss per share has not been described in the note, as there were no dilutive instruments.

13. Financial risk management:

Fair Value of Financial Instruments:

As a result of the implementation of IFRS 13 and the corresponding amendments to IAS 34, additional disclosure is required regarding financial instruments in the interim and annual financial statements. The Company has the following financial instruments: cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities, liabilities related to assets held for sale, finance lease obligations and long term liabilities. Cash and cash equivalents and restricted cash are measured at fair value and are classified as Level 1 within the fair value hierarchy of IFRS 13. Amounts receivable, accounts payable and accrued liabilities, liabilities related to assets held for sale, and finance lease obligations are measured at amortized cost and their carrying value approximates their fair value due to the short-term nature of the instruments as at March 31, 2013. The fair value of the long term liabilities are not practicable to determine given the nature of the liability.

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these interim condensed consolidated financial statements.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors has responsibility for the oversight of the Company's risk management framework. The Board of Directors has mandated the Audit Committee to review how management monitors compliance of the Company's risk management policies and procedures and review the adequacy of the risk management policies and procedures.

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

13. Financial risk management (continued):

Cash and equivalents and restricted cash:

Cash not immediately required for operating purposes is invested in short-term bank deposits. The Company controls the credit risk of these deposits by placing its cash with only major Canadian chartered banks.

Amounts receivable and holdbacks receivable:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk arises from the potential default of a customer in meeting its financial obligation to the Company. The Company has established a credit evaluation, approval and monitoring processes to mitigate potential credit risk.

The Company evaluates the collectability of accounts receivable and records an allowance for doubtful accounts which reduces receivables to the amount management reasonably believes will be collected.

The Company is subject to a concentration of credit risk in its amounts receivable. As at March 31, 2013, two customers represented 48% and 2%, respectively (2012 - two customers – 37% and 2%) of the aggregate amount of amounts receivable.

Approximately 1% of the Company's customers have been transacting with the Company for more than five years. In monitoring customer credit risk, customers that are deemed to be "high risk", are required to prepay before services are rendered. The Company has title to the soil at its facility. In the event of non-payment, the Company's standard contracts allow it to return title and possession of untreated material to its customer.

Management is of the opinion that any risk of loss due to bad debts is significantly reduced due to the financial strength of its customers. The Company performs ongoing credit evaluations of its customers' financial condition and requires letters of credit or other guarantees whenever deemed necessary.

13. Financial risk management (continued):

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	March 31, 2013	December 31, 2012
Cash and cash equivalents	$ 63,420,802	$ 63,856,221
Restricted cash	513,029	513,052
Amounts receivable	140,909	1,645,903
Total	$ 64,074,740	$ 66,015,176

The aging of amounts receivable at the reporting date was:

	Carrying amount	
	March 31, 2013	December 31, 2012
Current	$ 21,406	$ 425,780
31-90 days	49,778	1,209,342
Over 90 days	69,725	69,725
	140,909	1,704,847
Allowance for doubtful accounts	-	58,944
Total amounts receivable	$ 140,909	$ 1,645,903

All amounts receivable over 90 days were collected shortly after March 31, 2013, thereby eliminating the requirement for an allowance for credit losses at the end of the period.

13. Financial risk management (continued):

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to monitor consolidated cash flow to ensure that there will always be sufficient liquidity to meet liabilities when due.

At March 31, 2013, the Company has a cash and cash equivalents balance of $63,420,802 (December 31, 2012 - $63,856,221) and positive working capital of $70,582,528 (December 31, 2012 - $64,187,970). Management believes the Company has sufficient cash flows to meet amounts due.

The Company had no bank borrowings outstanding at March 31, 2013 and December 31, 2012.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Millions of Canadian dollars	Carrying amount	Contractual cash flow	2013	2014	2015	2016	2017	Thereafter
Tenure agreement	$ 0.72	$ 0.77	$ 0.06	$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.39
Liabilities related to assets held for sale	0.36	0.36	0.36	-	-	-	-	-
Accounts payable and accrued liabilities	0.40	0.40	0.40	-	-	-	-	-
Total contractual obligations	$ 1.48	$ 1.53	$ 0.82	$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.39

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

13. Financial risk management (continued):

Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income or the value of its holding in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Although the Company periodically enters into foreign exchange contracts as economic hedges of related risks, it has elected to not follow hedge accounting. Consequently, these instruments are recorded at fair value on the balance sheet with changes in fair value recorded in earnings as they occur.

Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company, primarily the Canadian dollar. The currencies in which these transactions primarily are denominated in are the US dollar. In respect of monetary assets and liabilities denominated in US dollars, the Company ensures that its net exposure is kept to an acceptable level by buying or selling US dollars at spot rate when necessary of by periodically entering into forward exchange contracts to offset its balance sheet exposure and to hedge the cash flow risk associated with its estimated net foreign currency cash requirements and certain significant transactions.

As at March 31, 2013, the Company has no foreign exchange contracts outstanding (December 31, 2012 - $230,000).

13. Financial risk management (continued):

The Company's exposure to foreign currency risk at the reporting date excluding the foreign exchange contracts is as described below:

	March 31, 2013 US$	December 31, 2012 US$
Cash, restricted cash and cash equivalents	$ 15,086	$ 62,531
Amounts receivable	16,021	250,095
Accounts payable and accrued liabilities	(33,687)	(89,727)
Notional amount of U.S. dollar forward contracts	-	(230,000)
Net exposure in U.S. dollars	$ (2,580)	$ (7,101)

Sensitivity analysis

A 10% strengthening (weakening) of the Canadian dollar against the U.S. dollar would have decreased (increased) equity and profit and loss by approximately $300 as at March 31, 2013. A similar strengthening (weakening) as at December 31, 2012 would have decreased (increased) equity and profit and loss by approximately $700.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to interest rate risk mainly arises from the interest impact of its cash and equivalents as it is subject to floating market rates of interest. Based on the balance outstanding on March 31, 2013, a one percent point increase (decrease) in the money market instruments which the Company invests would increase (decrease) interest income by approximately $640,000 (2012 - $640,000).

The Company's financial assets and liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's obligation under capital lease bears a fixed rate interest rate.

13. Financial risk management (continued):

Capital Management:

The Company's objective is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Management defines capital as the Company's total shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management. The Board of Directors reviews the capital structure on a quarterly basis.

In order to maintain or adjust the capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares or warrants, and issue new debt.

There were no changes in the Company's approach to capital management during the period. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

14. Contingencies:

No additional developments have occurred relating to the contingencies as described in note 30 of the audited consolidated financial statements as at and for the year ended December 31, 2012.

15. Related party transactions:

Except as noted in note 5, there are no other related party transactions.