DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS & BUSINESS ADVISORS

VANCOUVER
1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

TRI-CITIES
700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 6E7
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Blox, Inc.

We have audited the accompanying consolidated balance sheets of Blox, Inc. (an exploration stage company) as of June 30, 2013 and 2012, and the related consolidated statements of operations, stockholders' deficit and cash flows for the years ended June 30, 2013 and 2012, and the period from July 21, 2005 (inception) through June 30, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position Blox, Inc. as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years ended June 30, 2013 and 2012, and the period from July 21, 2005 (inception) through June 30, 2013 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has not generated revenues since inception, has incurred losses in developing its business, and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Dale Matheson Carr-Hilton Labonte LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
September 5, 2013

An independent firm associated with Moore Stephens International Limited
MOORE STEPHENS

BLOX, INC. (Formerly Nava Resources, Inc.)
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

	June 30, 2013	June 30, 2012
ASSETS		
Current		
Cash and cash equivalents	$ 19,544	$ 23,075
Prepaid expense	995	2,500
	20,539	25,575
Equipment	650	76
TOTAL ASSETS	$ 21,189	$ 25,651
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 34,474	$ 5,584
Due to related party (note 5)	511	1,089
Loan payable (note 5)	45,000	-
Total current liabilities	79,985	6,673
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock		
400,000,000 common shares authorized, $0.00001 par value		
12,338,604 common shares issued and outstanding		
(June 30, 2012 – 12,338,604)	123	123
Additional paid-in capital	237,431	236,793
Deficit accumulated during the exploration stage	(296,350)	(217,938)
Total stockholders' equity (deficit)	(58,796)	18,978
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 21,189	$ 25,651

The accompanying notes are an integral part of these consolidated financial statements.

BLOX, INC. (Formerly Nava Resources, Inc.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended June 30, 2013	Year ended June 30, 2012	Accumulated from July 21, 2005 (date of inception) to June 30, 2013
EXPENSES			
Amortization	$ 352	$ 47	$ 1,593
Consulting	-	-	16,000
Consulting – stock-based compensation	-	-	48,047
Exploration costs	-	2,850	19,474
Office and miscellaneous	1,255	1,139	12,222
Professional fees	76,168	20,055	207,529
Professional fees - stock-based compensation	638	-	638
Operating loss	(78,413)	(24,091)	(305,503)
Other items			
Cost recovery	-	-	1,000
Interest income	1	27	8,153
NET AND COMPREHENSIVE LOSS	$ (78,412)	$ (24,064)	$ (296,350)
BASIC AND DILUTED LOSS PER SHARE	$ (0.01)	$ (0.00)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:			
BASIC AND DILUTED	12,338,604	12,338,604	

The accompanying notes are an integral part of these consolidated financial statements.

BLOX, INC. (Formerly Nava Resources, Inc.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended June 30, 2013	Year ended June 30, 2012	Accumulated from July 21, 2005 (date of inception) to June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (78,412)	$ (24,064)	$ (296,350)
Non-cash operating items:			
Amortization	351	47	1,592
Consulting – stock based compensation	-	-	48,047
Professional fees – stock based compensation	638	-	638
Changes in non-cash working capital items:			
Prepaid expense	1,505	(2,500)	(995)
Accounts payable and accrued liabilities	28,480	(9,001)	34,064
Net cash used in operating activities	(47,437)	(35,518)	(213,003)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of equipment	(925)	-	(2,243)
Net cash used in investing activities	(925)	-	(2,243)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of capital stock	-	-	188,870
Loan payable	45,000	-	45,000
Due to related parties	(169)	(3,587)	920
Net cash provided by financing activities	44,831	(3,587)	234,790
Change in cash and cash equivalents	(3,532)	(39,105)	19,544
Cash and cash equivalents, beginning	23,075	62,180	-
Cash and cash equivalents, ending	$ 19,544	$ 23,075	$ 19,544
Cash and cash equivalents consists of:			
Cash on hand	$ 19,544	$ 1,202	$ 19,544
Term deposit	-	21,873	-
	$ 19,544	$ 23,075	$ 19,544
Supplemental disclosures with respect to cash flows:			
Cash paid during the period for:			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

BLOX, INC. (Formerly Nava Resources, Inc.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF DEFICIT

	Common shares – number	Common shares – paid-in capital	Additional paid-in capital	Subscription received in advance	Deficit accumulated during exploration stage	Total
July 21, 2005 (inception)	-	$-	$-	$-	$-	$-
Issuance of capital stock ($0.001/share)	200,000	2	198	-	-	200
Subscriptions received	-	-	-	14,000	-	14,000
Net loss	-	-	-	-	(1,750)	(1,750)
Balance, June 30, 2006	200,000	2	198	14,000	(1,750)	12,450
Issuance of capital stock ($0.00001/share)	39,800,000	398	-	-	-	398
Cancellation of common stock ($0.00001/share)	(29,000,000)	(290)	-	-	-	(290)
Issuance of capital stock ($0.15/share)	874,104	9	131,107	(14,000)	-	117,116
Issuance of capital stock ($0.16/share)	352,000	4	56,316	-	-	56,320
Net loss	-	-	-	-	(16,103)	(16,103)
Balance, June 30, 2007	12,226,104	123	187,621	-	(17,853)	169,891
Net loss	-	-	-	-	(42,281)	(42,281)
Balance, June 30, 2008	12,226,104	123	187,621	-	(60,134)	127,610
Net loss	-	-	-	-	(30,388)	(30,388)
Balance, June 30, 2009	12,226,104	123	187,621	-	(90,522)	97,222
Issuance of capital stock ($0.01/share)	37,500	-	375	-	-	375
Stock-based compensation	-	-	2,798	-	-	2,798
Net loss	-	-	-	-	(25,286)	(25,286)
Balance, June 30, 2010	12,263,604	123	190,794	-	(115,808)	75,109
Issuance of capital stock ($0.01/share)	75,000	-	750	-	-	750
Stock-based compensation	-	-	45,249	-	-	45,249
Net loss	-	-	-	-	(78,066)	(78,066)
Balance, June 30, 2011	12,338,604	123	236,793	-	(193,874)	43,042
Net loss	-	-	-	-	(24,064)	(24,064)

Balance, June 30, 2012	12,338,604	123	236,793	-	(217,938)	18,978
Stock-based compensation	-	-	638	-	-	638
Net loss	-	-	-	-	(78,412)	(78,412)
Balance, June 30, 2013	12,338,604	$123	$237,431	$-	$(296,350)	$(58,796)

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Blox, Inc. (the "Company") was incorporated on July 21, 2005 under the laws of the state of Nevada. The Company's wholly owned subsidiary, Nava Resources, Canada Inc. ("Nava Resources, Canada"), was incorporated in Canada on August 9, 2005. The Company is an exploration stage company. The Company's principal business is the acquisition and exploration of mineral properties. The Company has not yet determined whether its property contains mineral reserves that are economically recoverable. In January 2013, the Company changed its name from Nava Resources, Inc. to Blox, Inc.

On June 19, 2013, the Company signed an agreement with International Eco Endeavors Corp. ("Eco Endeavors") to complete a business combination with Eco Endeavors and Ourco Capital Ltd. ("Ourco"), a wholly owned subsidiary of the Company formed for the purpose of this business combination. At amalgamation of Eco Endeavors and Ourco, all of Eco Endeavors common shares outstanding shall be cancelled, and the holders of Eco Endeavors' common shares, other than the Company and Ourco, shall receive in exchange for their Eco Endeavors' common shares cancelled, 60,000,000 units of the Company on a pro-rata basis with a deemed value of $0.05 per unit. Neither the Company nor Ourco shall receive any repayment of capital in respect of any Eco Endeavors' common shares held by them that are cancelled. All of the common shares of Ourco outstanding immediately prior to the effective time shall be cancelled and replaced with an equal number of common shares of the amalgamated company ("Amalco") formed between Eco Endeavors and Ourco, and will be a wholly owned subsidiary of the Company. As consideration for the issuance of the Company's units, Amalco shall issue the Company one common share of Amalco for each unit issued. This agreement is subject to the Company's completion of due diligence of Eco Endeavors which has not yet been completed. Eco Endeavors sources, develops, and operates renewable energy projects worldwide with a focus on Europe and North America.

On June 22, 2013, the Company entered into a share purchase agreement with Waratah Investments Limited ("Waratah") where the Company shall purchase all of Waratah's right, title, and interest in the Quivira Gold ("Quivira") shares, of which Waratah holds 100% of the outstanding shares. As consideration for the Quivira shares, the Company will issue to Waratah 60,000,000 shares of common stock and 60,000,000 warrants. Each warrant entitles the holder to purchase one additional common share at $0.05 for a period of five years from the closing date. Quivira, a subsidiary of Waratah Investments, owns and operates gold and diamond mining properties in Ghana.

The closing of the agreement is subject to the completion of due diligence and the completion of a private placement. The Agreements provide that closing is subject to completion of a private placement financing of up to US$2,500,000, consisting of units priced at $0.05 per unit, with each unit comprises a share in the common stock of Nava and a share purchase warrant, exercisable at $0.05 for five years. As of the issuance date of these financial statements, the due diligence and financing has not yet been completed.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues since inception and has not paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The Company has incurred a net loss of $78,412 and $24,064 for the years ended June 30, 2013 and 2012, respectively, and has incurred cumulative losses since inception of $296,350. These factors raise substantial concern about the ability of the Company to continue as going concern. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Management of the Company has undertaken steps as part of a plan with the goal of sustaining Company operations for the next twelve months and beyond. These steps include: (a) continuing efforts to raise additional capital and/or other forms of financing; and (b) controlling overhead and expenses. There can be no assurance that any of these efforts will be successful.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in accordance with generally accepted accounting principles in the United States ("US GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") and are expressed in US dollars. The Company's fiscal year-end is June 30.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and Nava Resources, Canada. All intercompany balances and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas of estimate include the recognition of deferred income tax assets and the measurement of financial instruments and stock bases transactions. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of less than three months.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar. The financial statements of the Company are translated to United States dollar equivalents. Assets and liabilities denominated in foreign currencies are translated into United States dollar equivalents at rates of exchange in effect at the balance sheet date. Average rates for the year are used to translate revenues and expenses.

The cumulative translation adjustment, if any, on translation to the reporting currency is reported as a separate component of shareholders' equity, whereas gains and losses arising from foreign currency transactions are included in results of operations.

Equipment

Amortization is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Amortization is computed at 45% per annum using the declining balance method.

Impairment or Disposal of Long-Lived Assets

The Company accounts for the impairment or disposal of long-lived assets according to the Financial Accounting Standards Board's ("FASB') Accounting Standards Codification ("ASC") 360 "Property Plant and Equipment". ASC 360 clarifies the accounting for the impairment of long-lived assets and for long-lived assets to be disposed of, including the disposal of business segments and major lines of business. Long-lived assets are reviewed when facts and circumstances indicate that the carrying value of the asset may not be recoverable. When necessary impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates.

Mineral Property Interest

The Company is engaged in the acquisition, exploration and development of mineral properties. In accordance with the SEC Industry Guide 7, mineral property acquisition costs are capitalized and mineral properly option payments and exploration costs are expensed to operations as incurred. Mineral property exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized.

To date the Company has not established any proven or probable reserves on its mineral property.

Basic and Diluted Net Loss Per Share

The Company computes loss per share in accordance with ASC 260, “Earnings per Share”, which requires presentation of both basic and diluted loss per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted loss per share, the average stock price for the period issued in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive.

Stock Based Compensation

The Company accounts for Stock-Based Compensation under ASC 718 “Compensation – Stock Compensation”, which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 requires measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized.

The Company accounts for stock-based compensation awards to non-employees in accordance with ASC 505-50, Equity-Based Payments to Non-Employees. Under ASC 505-50, the Company determines the fair value of the warrants or stock-based compensation awards granted as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. Any stock options or warrants issued to non-employees are recorded in expense and additional paid-in capital in shareholders’ equity/(deficit) over the applicable service periods using variable accounting through the vesting dates based on the fair value of the options or warrants at the end of each period.

The Company issues stock to consultants for various services. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty’s performance is complete. The Company recognized consulting expense and a corresponding increase to additional paid-in-capital related to stock issued for services.

Income Taxes

Income taxes are accounted for under the liability method of accounting for income taxes. Under the liability method, future tax liabilities and assets are recognized for the estimated future tax consequences attributable to differences between the amounts reported in the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted income tax rates expected to apply when the asset is realized or the liability settled. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

The FASB has issued ASC 740 “Income Taxes”. ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements. This standard requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

As a result of the implementation of this standard, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by ASC 740 and concluded that the tax position of the Company has not met the more-likely-than-not threshold as of June 30, 2012.

Fair Value of Financial Instruments

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

> Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
> Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
> Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments classified as Level 1 – quoted prices in active markets include cash and cash equivalents.

These financial instruments are measured using management’s best estimate of fair value, where the inputs into the determination of fair value require significant management judgment to estimation. Valuations based on unobservable inputs are highly subjective and require significant judgments. Changes in such judgments could have a material impact on fair value estimates. In addition, since estimates are as of a specific point in time, they are susceptible to material near-term changes. Changes in economic conditions may also dramatically affect the estimated fair values.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of June 30, 2012. The respective carrying value of certain financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, accounts payable and due to related parties.

Recent Accounting Pronouncements

Recent pronouncements with future effective dates are either not applicable or are not expected to be significant to the financial statements of the Company.

3. EQUIPMENT

		Total
Cost:		
At June 30, 2011 and 2012		1,317
Additions		926
At June 30, 2013	$	2,243
Amortization:		
At July 1, 2011	$	1,194
Charge for the year		47
At June 30, 2012		1,241
Charge for the year		352
At June 30, 2013	$	1,593
Net book value:		
At June 30, 2012	$	76
At June 30, 2013	$	650

4. MINERAL PROPERTY INTEREST

On October 20, 2010, the Company staked a claim located in the Victoria mining division of the Province of British Columbia, Canada. During the year ended June 30, 2012, the Company incurred exploration costs amounting to $Nil (2012 - $2,850) on the Property.

5. RELATED PARTY TRANSACTIONS

As at June 30, 2013, $511 (2012 - $1,089) was due to a director of the Company and a company controlled by a director of the Company. These amounts are unsecured, do not bear interest and have no fixed terms of repayment.

As at June 30, 2013, $45,000 is owing to a related company of Waratah Investments Limited (note 1). The loan is unsecured, does not bear interest and has no fixed terms of repayment.

6. STOCK OPTIONS

The Company has adopted a Stock Incentive Plan (the "Plan"). The Plan provides that the total number of shares of stock reserved and available for distribution under the plan shall be 10,000,000 shares of common stock of the Company. The stock options granted under the Plan shall have a maximum term of five years.

During the year ended June 30, 2013, the Company granted 100,000 stock options, exercisable at $0.01 per share until January 16, 2018. The stock options vested immediately and were recorded at a fair value of $638. The fair value of the options granted was estimated at the grant date using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected annual volatility: 80.30%, risk-free interest rate: 0.75%, expected life: 5 years and expected dividend yield: 0%. The stock options carry a minimum exercise clause whereby the minimum shares exercised must be the lesser of 25,000 shares or the remaining number of unexercised shares outstanding.

A summary of the status of the Company's stock options as of June 30, 2013 and changes during the year are as follows:

	Number of options
Options outstanding, June 30, 2011 and 2012	287,500
Granted	100,000
Options outstanding and exercisable, June 30, 2013	387,500

At June 30, 2013, the weighted average exercise price and weighted average life of the options are $0.01 and 2.8 years, respectively.

7. INCOME TAXES

A reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows:

	June 30, 2013	June 30, 2012
Net loss before income taxes per financial statements	$ (78,412)	$ (24,064)
Income tax rate	34%	34%
Income tax recovery	(26,678)	(8,200)
Unrecognized items for tax purposes	-	-
Change in tax rate	-	800
Valuation allowance change	26,678	7,400
Provision for income taxes	$ -	$ -

The significant components of deferred income tax assets at June 30, 2013 and 2012 are as follows:

	June 30, 2013	June 30, 2012
Net operating loss carryfoward	$ 85,178	$ 58,500
Valuation allowance	(85,178)	(58,500)
Net deferred income tax asset	$ -	$ -

The amount recognized as a deferred income tax asset must reflect that portion of the income tax loss carry forwards that is more likely-than-not to be realized from future operations. The Company has chosen to provide a full valuation allowance against all available income tax loss carry forwards. The Company has recognized a valuation allowance for the deferred income tax asset since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years: The valuation allowance is reviewed annually. When circumstances change and which cause a change in management's judgment about the realizability of deferred income tax assets, the impact of the change on the valuation allowance is generally reflected in current income.

No provision for income taxes has been provided in these consolidated financial statements due to the net loss for the years ended June 30, 2013 and 2012. At June 30, 2013, the Company has net operating loss carry forwards of approximately $250,000, which expire commencing 2026. The potential tax benefit of these losses may be limited due to certain change in ownership provisions under Section 382 of the Internal Revenue Code ("IRS") and similar state provisions. IRS Section 382 places limitations (the "Section 382 Limitation") on the amount of taxable income which can be offset by net operating loss carry forwards after a change in control (generally greater than 50% change in ownership) of a loss corporation. Generally, after a change in control, a loss corporation cannot deduct operating loss carry forwards in excess of the Section 382 Limitation. Due to these "change in ownership" provisions, utilization of the net operating loss and tax credit carry forwards may be subject to an annual limitation regarding their utilization against taxable income in future periods. The Company has not concluded its analysis of Section 382 through June 30, 2013, but believes the provisions will not limit the availability of losses to offset future income.