Canadian Imperial Venture Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Quarter Ended August 31, 2011

This management discussion and analysis ("MD&A") prepared as of October 28, 2011 is a review of the consolidated operational and financial results of Canadian Imperial Venture Corp. (the "Company" / "CIVC") based upon Canadian generally accepted accounting principles ("GAAP"). The focus is primarily a comparison of the operational and financial performance for the nine months ended August 31, 2011 and August 31, 2010 and should be read in conjunction with the audited statements for the years ended November 30, 2010 and 2009.

Additional information relating to Canadian Imperial Venture Corp. and its vision, strategies and operations, is available in the consolidated financial statements for the year ended November 30, 2010 on SEDAR at www.sedar.com.

Forward-looking Statements

Statements throughout this report that are not historical facts may be considered "forward-looking statements". These forward-looking statements sometimes address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, funding from other sources, statements regarding exploration results, potential oil and gas resources, future production and the Company's exploration and development plans and objectives). These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, failure to establish estimated oil and gas reserves, failure to establish estimated mineral reserves, the possibility that future exploration results will not be consistent with the Company's expectations, uncertainties relating to the availability and costs of financing needed in the future, changes in commodity prices, changes in equity markets, political developments in western Newfoundland, the uncertainties involved in interpreting exploration results and other geological data, and the other risks involved in the oil and gas exploration and development industry.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

The oil and gas resource evaluation figures disclosed in this MD&A are estimates and no assurances can be given that the indicated levels of oil will be produced. Such estimates are expressions of judgment based on knowledge, oil and gas experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this MD&A are well established, by their nature, resource estimates are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have an adverse impact on the Company.

Review of Audited Consolidated Financial Statements

As stated above, the consolidated financial statements for the nine months ended August 31, 2011 have been prepared in accordance with Canadian GAAP. Accounting policies, as presented in the Company's audited consolidated financial statements for the year ended November 30, 2010, have been consistently applied in preparing the consolidated financial statements except as disclosed.

The consolidated financial statements of the Company have been prepared by and are the responsibility of the Company and its Management. The interim consolidated financial statements have been reviewed and approved by the members of the audit committee and the Board of Directors. The Company's auditors have not reviewed the interim MD&A and interim consolidated financial statements.

OIL AND GAS PROPERTIES HELD BY THE COMPANY AND RESULTS OF OPERATIONS

Exploration Licence 1070 ("EL 1070")

150,000 Ac (Green Point Oil-in-Shale)

Working Interest (Post Earning by Shoal Point Energy Ltd. "SPE"):

- Canadian Imperial Venture Corp. 19.25%
- Shoal Point Energy Ltd. 80.75%

Canadian Imperial Venture Corp. along with its joint venture partner, Shoal Point Energy have discovered what is believed to be a very extensive oil-in-shale play at Shoal Point in Port au Port Bay ("2K-39 well"), in the shallow offshore of western Newfoundland. The 150,000 acre land parcel can be developed almost entirely by land-based drilling. This play is analogous to other fractured shale liquids plays which are currently being pursued by majors in North America and elsewhere. The current move into oil-in-shale exploitation is similar, in concept and technology, to the revolution in gas shales which has occurred over the past decade.

Development of this play would entail extensive horizontal drilling and specialized completion techniques, including possible hydro-fracking, which have proven so successful in other North American basins. Currently, CIVC and SPE are twinning the 2K-39 discovery well on EL 1070. Drilling operations on the 3K-39 well are being managed by Dragon Lance Management Company who also managed the drilling of the 2K-39 well, which was accomplished without any health, safety and environmental incidents.

The 2K-39 well was designed to test a deeper conventional play which was not successful. However, the very thick oil bearing Green Point Formation was encountered in the shallow section of the well but evaluation was not possible at the time due to well design and borehole conditions. The 3K-39 well has been drilled to 1745 meters and has now been cored, logged and tested closed chamber in the open hole. Normally open hole testing would not be conducted on a shale formation because fracking is usually required to achieve flow in the wellbore. However, based on the indications from both 2K-39 and 3K-39 and the fact that several turn of the last century exploratory Green Point shale wells in the area did produce without stimulation, the decision was taken to conduct open hole tests. One of the open hole drill stem tests did flow back drilling fluid over a short (nine minute) period at a rate which can be extrapolated to approximately 2700 barrels per day with a formation pressure of 8856 kilopascals. These results are very significant because they prove that the formation is naturally fractured and capable of flowing without stimulation at potentially high rates. Unfortunately the closed chambered drill stem testing format did not allow for sufficient flow periods to produce back the drilling fluids that invaded the formation during the drilling operations.

On July 26, 2011, the Company announced that that casing was completed to a depth of 1711 metres in the 3K-39 well and is being cemented into place. The operation was completed and the Nabors rig was released and now a service rig will be brought in to complete the planned testing program.

The next stage of testing, subject to applicable regulatory approvals, will include a test over the open lower carbonate-rich section of the well (1711 to 1745 metres), from which promising hydrocarbons were encountered during drilling and logging operations. Thereafter, it is planned to perforate the casing and test a series of fractured zones in the Green Point shale (between 750 and 1325 metres) which were identified from log analysis and core data, and which, from a series of open-hole closed chamber drill stem tests, indicate significant natural permeability.

The Company also announced that it was waiting for the results of the core analysis being undertaken by Ingrain Digital Rock Physics Lab in Houston, Texas. These results are expected to complement the log analysis carried out by NuTech Energy Alliance.

The 3K-39 well is specifically designed to fully evaluate the Green Point and will establish proof of concept and lead to application for a Significant Discovery Licence which will enable partners to develop the property under a long-term production licence. Oil production can be readily shipped from western Newfoundland with the installation of trans-shipment facilities at a nearby deepwater port in Stephenville. The Product is expected to be light, sweet crude of 35-45 degree API gravity, a premium product. Refineries are easily accessible along the eastern seaboard of North America.

NuTech Energy Alliance Report

CIVC and SPE reported on April 20, 2011 the results of geological and technical studies carried out by independent consultants on data from its EL 1070 property in western Newfoundland. Principle among these are petrophysical (log analysis) studies on pre-existing wells by NuTech Energy Alliance ("NuTech") of Humble, Texas. In these studies, digital data sets from open hole and cased hole logging runs were provided to NuTech, who specialize in the analysis of bypassed pay and unconventional reservoirs.

Executive Summary: *2K-39 and M-16 Wells on EL 1070*

- Shoal Point 2K-39 well, Green Point Formation petrophysics (NuTech)

Gross interval: 915 metres (true vertical depth)
Net pay: 332.7 metres TVD
Oil-in-place: 380 million barrels per section (sq. mile)/593 thousand barrels per acre

Intervals recommended for completion: 3

- Long Point M-16 well, Green Point Formation petrophysics (NuTech)

Gross interval: 2147 metres
Net pay: 887 metres
Oil-in-place: 930 million barrels per section/1.454 million barrels per acre

Intervals recommended for completion: 10

- **<u>EL 1070</u>: 150,000 acres Green Point Formation**
- <u>Source rock analysis, 2K-39</u>: Green Point mature for oil
- <u>Mineralogy (XRD) study, 2K-39</u>: Quartz-rich zones correspond to best hydrocarbon shows in well

The 2K-39 discovery well was drilled by CIVC and SPE in 2008 and the M-16 well was drilled by Mobil, Hunt and PanCanadian in 1995. The wells were drilled to assess a deeper conventional target at a time when oil-in-shale plays were not being pursued as they are today. The NuTech analysis was focussed entirely on the shallow Green Point Formation and utilized state of the art technology along with their extensive experience in shale plays and produced the above estimates of oil-in-place. The two analysed wells are 15 km apart thereby giving a good representation of the consistency of oil in place on EL 1070 itself. The M-16 well, which is located close to the boundary between EL 1070 and EL 1120 is showing even greater promise than the already extraordinary net pay and oil-in-place numbers supplied by NuTech on the 2K-39 well. The NuTech analysis was perhaps the main reason that CIVC and SPE entered into an earning agreement with Ptarmigan Energy Inc. ("PEI") on EL 1120 (see below).

<u>Exploration Licence 1120 ("EL 1120")</u>

67,000 Ac (Green Point Oil-in-Shale)

Working Interest (Post Earning by CIVC and SPE):

- Canadian Imperial Venture Corp.	32%
- Shoal Point Energy Ltd.	48%
- Ptarmigan Energy Inc.	20%

CIVC and its partner SPE are bound by an Area of Mutual Interest Agreement ("AMI") that governs the acquisition of new lands between the partners and covers an area of approximately 1.2 million acres in west Newfoundland. CIVC has the right to participate up to 40% in new lands acquired under the AMI.

On April 13, 2011, CIVC and SPE reached an agreement with PEI to earn an interest in certain lands on EL 1120 prospective for the development of Green Point oil-in-shale. Under the agreement, CIVC and SPE must pay PEI a total of $1.8 million and drill a test well to assess the petroleum potential of the Green Point formation on or before December 31, 2012. Total earning costs in the PEI EL 1120 deal will be carried by CIVC & SPE 40/60 respectively.

<u>Petroleum Permit Nos. 03-101 (Portland Creek) and 03-103 (Parson's Pond)</u>

Gross Overriding Royalty:

- Canadian Imperial Venture Corp. 1.5%

On September 10, 2009, the Company announced that it had entered into an agreement with Tectonics Inc. of Calgary, Alberta, to acquire a 1.5% Gross Overriding Royalty on Petroleum Permit No. 03-101 (Portland Creek) and No. 03-103 (Parson's Pond) onshore Western Newfoundland.

On August 7, 2009, Nalcor Energy announced that it had acquired an average 67% working interest in three exploration permits, including the above-mentioned permits No. 03-101 and No. 03-103.

Should Nalcor be successful in establishing production, CIVC is entitled to receive a 1.5% gross royalty on all production from permits 03-101 and 03-103, which royalty may be taken in cash or in kind. CIVC has no further financial obligations in the exploration and development of the permits, beyond the acquisition cost of the royalty.

Nalcor has drilled two wells in a planned three well program and suspended operations pending a review of the two wells drilled. The two wells that were drilled by Nalcor encountered natural gas.

MINERAL PROPERTIES HELD BY THE COMPANY AND RESULTS OF OPERATIONS

On October 1, 2010, the Company entered into an agreement with Tectonics Inc. of Calgary, Alberta to earn a 40% interest in Mineral License 016508M, which comprises 68 mineral claims (1700 hectares) and 40% interest in Mineral License 018387M, which comprises of 3 mineral claims (75 hectares) on Long Point and extending offshore immediately west of Long Point on the Port au Port Peninsula, in Western Newfoundland ("Option #1"). The purchase was made through the expenditure of $210,000 on the exploration of the property, issuance of 3,000,000 common shares of the Company and the granting of a 2% Net Smelter Royalty on production from the earned interest. On December 29, 2010, the Company received earning acknowledgment for its 40% working interest in the two mineral licenses per the agreement dated October 1, 2010.

Now that these earning commitments have been fulfilled, CIVC will additionally be granted by Tectonics an option to participate in the adjoining Mineral License 018019M (121 claims; approx. 3025 ha; 7744 ac) immediately north and contiguous to Mineral License 016508M ("Mineral Option A"), and an option to participate in the adjoining Mineral License 018035M (121 claims; approx. 3025 ha; 7744 ac) lying immediately west and contiguous to Mineral License 016508M ("Mineral Option B"). These options will include terms and conditions identical to that of Option #1 except that, upon election to participate, 5,000,000 common shares shall be issued to Tectonics (rather than 3,000,000) for each of Mineral Options A and B, and a property-specific exploration program will be agreed on by the partners prior to election. Furthermore, upon fulfillment of earning commitments on Mineral License 016508M and 018387M, and prior to election of Mineral Option A and Mineral Option B, CIVC shall be granted by Tectonics a First Right of Refusal to match any third party joint-venture offer to Tectonics.

On August 24, 2011, the Company announced initial results from its Odd Twins industrial mineral project located near Lourdes on the Port au Port Peninsula in Western Newfoundland. Three NQ diameter holes were drilled in late 2010 to test a twin-peaked linear magnetic anomaly that is known from a ship-borne magnetometer survey in 1969. The holes were drilled from shore into outcropping exposures of the clastic Winterhouse formation, a steeply dipping member of the Late Ordovician Long Point Group. All three holes encountered alternating red, green and buff sandstone and shale beds which ranged in thickness up to 1 metre.

Three bulk samples were sent to Ross Gilders at New Brunswick Research Council in Fredericton for evaluation. Sample J1833-1 is from surface outcrops and Samples 2 and 3 are from the upper part of drill holes L10-01 and L10-02 respectively. Samples were crushed and heavy minerals were gravity separated. Concentrates were assayed and analyzed by Scanning Electron Microprobe. Preliminary results for gold and platinum group elements are presented in Table 1.

Table 1: Gold and PGE analyses from three Odd Twins bulk samples

Table Feed	Products		Mass		Assays (ppm)			
	Description	**ID**	**(g)**	**(%)**	**Au**	**Pd**	**Pt**	**Rh**
J1833-1	Concentrate	J1833-1-Tbl Con	59.8	0.9	0.059	<0.010	<0.010	<0.010
	Middling	J1833-1-Tbl Mids	182	2.8				
	Tail	J1833-1-Tbl Tail	6339.2	96.3				
J1833-2	Concentrate	J1833-2-Tbl Con	115.0	1.6	0.11	<0.010	<0.010	<0.010
	Middling	J1833-2-Tbl Mids	258	3.6				
	Tail	J1833-2-Tbl Tail	6810	94.8				
J1833-3	Concentrate	J1833-3-Tbl Con	27.0	0.5	0.176	<0.010	<0.010	<0.010
	Middling	J1833-3-Tbl Mids	623	10.8				
	Tail	J1833-3-Tbl Tail	5102	88.7				

The following results (Table 2) were also reported from whole rock analyses.

Table 2. Iron, Chromium and Titanium Concentrations from three Odd Twins bulk samples

Sample No.	Fe2O3	Cr2O3	TiO2
J1833-1	4.49	0.61	0.94
J1833-2	7.18	1.18	1.74
J1833-3	9.88	0.07	0.85

Continuing work on the samples will consist of detailed mineralogical studies, and analyses for rare earth element concentrations. An economic evaluation of the results is currently under way.

Dr. Ulrich Kretschmar, PhD, PGeo (APGO No.1160) is the qualified person and has approved the wording of the technical descriptions in this news release.

CIVC and Monarch Energy are 40/60 partners in the Odd Twins industrial minerals project (71 contiguous mineral claims covering 1775 hectares) which overlie EL 1070 and the Green Point oil-in-shale play where CIVC has a 38.5% interest and a post earning working interest of 19.25%.The fact that the Odd Twins Overlies the oil-in-shale play may result in certain synergies which could reduce input costs to any mining operation that may be established. Low cost energy from oil and gas production could be available nearby and infrastructure and equipment (e.g. roads) could be shared with petroleum installations given that some common partnerships exist in the tenure of the petroleum and mineral lands.

FINANCIAL HIGHTLIGHTS FOR THE QUARTER ENDED August 31, 2011

The Company is primarily in the exploration phase and in the prior year sold all interests in producing wells that had generated petroleum and natural gas revenues.

Working Capital - As at August 31, 2011, the Company had working capital of ($2,692,403) compared to a working capital of ($346,599) as of August 31, 2010. This decrease is related to the additions of petroleum and natural gas properties associated with the 3K-39 well.

Current Assets – Current assets at August 31, 2011 totalled $145,867 compared to $312,065 as at August 31, 2010. This balance is comprised of cash, accounts receivable, reclamation deposit and prepaid expenses. The decrease in current assets is due to an decrease in cash, due to private placements in prior year. Trade receivables remained consistent between August 31, 2011 and August 31, 2010.

Petroleum and Natural Gas Properties – The Company currently holds petroleum and natural gas properties with a recorded value of $ 2,903,836 (2010 - $18,166). The following schedule summarizes the changes in petroleum and natural gas properties during the quarter:

Petroleum and Natural Gas Properties, May 31, 2011	**$ 2,293,181**
Costs capitalized in the quarter	610,655
Petroleum and Natural Gas Properties, August 31, 2011	**$ 2,903,836**

The addition of $610,655 (which as of August 31, 2011 is recorded in accounts payable) represents the Company's portion of the costs associated with the 3K-39 well. Shoal Point Energy Ltd. ("SPE") is earning a 19.25% interest in the shallow rights of EL1070 from the Company by paying the Company's cost on the well (38.5%) up to $4,500,000. Above this amount, the parties pay according to their post earning percentage of interest (SPE 80.5% and the Company 19.25%). Under the terms of the farmin agreement between SPE and the Company, SPE must drill, test and complete or abandon the 3K-39 well before earning occurs. (Note: See Subsequent Events)

Mineral Exploration Properties – The Company currently holds mineral exploration properties with a recorded value of **$480,000** (2010 - $nil). The following schedule summarizes the changes in mineral exploration properties during the quarter:

Mineral Exploration Properties, May 31, 2011	**$ 480,000**
Costs capitalized in the quarter	-
Mineral Exploration Properties, August 31, 2011	**$480,000**

Additional information on mineral exploration properties is included in the annual consolidated financial statements.

Property Deposits – As at August 31, 2011 the Company had property deposits of $55,421 (August 31, 2010 - $54,846). Deposits at August 31, 2011 are held with the Energy Resources Conservation Board.

Current Liabilities – Current liabilities increased from $658,664 at August 31, 2010 to $2,838,270 at August 31, 2011. The balance at August 31, 2011 represents normal trade payables and asset retirement obligation. The increase is a result of the additional expenses incurred for the drilling of the 3K-39 well mentioned above. Subsequent to the quarter ended August 31, 2011 the Company's debt related to the drilling of the 3K-39 has been settled. (Note: See Subsequent Events)

General and Administrative - General and Administrative expenses increased from $187,871 at August 31, 2010 to $232,703 for the quarter ended August 31, 2011. General and administrative expenses include the following material components for the three months ended August 31, 2011 and August 31, 2010:

	2011	**2010**
	$	$
Office and shareholder information	**26,264**	19,425
Professional and filing fees	**68,257**	43,137
Promotion and travel	**27,687**	15,778
Service contracts and wages	**110,495**	109,531

The increase in office and shareholder information is mainly due to the increase in rent. The increase in professional and filing fees is a result of increased legal fees due to the proposed purchase and sale agreement with Shoal Point Energy Ltd. Promotion and travel have increased due to meetings and discussions with potential investors. Service contracts have remained consistent during the quarter.

Stock Based Compensation – During the quarter ended August 31, 2011 the Company recorded stock based compensation expense of $152,024 (August 31, 2010 - $nil). This relates to 4,175,000 stock options for common shares issued on June 17, 2011 which vested at the date they were issued. The exercise price is $0.10 per share and expires on June 17, 2016. Further information on the Company's stock option plan agreement can be found in the 'Incentive Share Option Plan' section of this document and in the notes to the financial statements for August 31, 2011 and November 30, 2010.

Asset Retirement Obligations – During the quarter the Company incurred asset retirement obligations of $nil (August 31, 2010 – $nil) and accretion expense of $nil (2010 - $nil) associated with the retirement of oil and gas properties. The expected cash flow required to settle the obligation at is $5,537 (August 31, 2010 - $21,006).

Private Placement Financing – There was no private placement financing obtained during the quarter ended August 31, 2011 (2010 - $nil).

Selected Annual Information

	Aug. 31, 2011	**Aug. 31, 2010**	**Aug. 31, 2009**
	$	$	$
Total Revenue	**1,344**	4,368	64,021
Net Loss	**1,173,926**	1,445,903	619,247
Basic and Diluted Loss per Share	**0.002**	0.003	0.002
Total Assets	**3,540,969**	391,494	3,373,362
Total Long-term Liabilities	**-**	21,006	153,689

Summary of Quarterly Results

For The Three Months Ended				
	Aug. 31/11	**May 31/11**	**Feb. 28/11**	**Nov. 30/10**
Revenue (including interest)	**$1,038**	$150	$156	$14,109
Net Loss (income)	**386,161**	413,254	196,897	(15,156)
Loss (income) per Share (basic and diluted)	**0.001**	0.0015	0.0004	(0.00003)
	Aug. 31/10	**May 31/10**	**Feb. 28/10**	**Nov. 30/09**
Revenue (including interest)	$81	$79	$4,208	$51,158
Net Loss	204,115	287,751	954,037	2,545,622
Loss per Share	0.0004	0.002	0.002	0.007

Revenue has remained consistent. The decrease in net loss is mainly due to the decrease in stock based compensation expense.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal Control over Financial Reporting

Management, including the Chief Executive Officer and the Chief Financial Officer, has designed internal control over financial reporting as defined under *Multilateral Instrument 52-109* to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian GAAP.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting that occurred during the quarter ended August 31, 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

SHARE CAPITAL OUTSTANDING

Authorized share capital as at August 31, 2011: Unlimited.

Issued and outstanding share capital as at August 31, 2011: A total of 513,588,361 common voting shares and 53,500,000 warrants have been issued at a recorded value of $ 13,790,318.

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Incentive Share Option Plan

At the 2006 Annual General Meeting the Company's incentive share option plan was replaced with a rolling stock option plan under which options to purchase common shares of the Company may be granted to directors, officers, employees and consultants of the Company.

Options granted must expire no later than a maximum of five years from the date of the grant while the Company's common shares are listed in Tier 2 of the TSX.V. At such time as the Company's common shares are listed in Tier 1 of the TSX.V or the Toronto Stock Exchange (TSX), options granted must expire no later than a maximum of 10 years from the date of grant.

Terms of the Plan are as follows:

1. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

2. The number of shares which may be awarded to any one individual may not exceed 5% of the issued shares at the date of grant and the total number of options awarded to any consultant shall not exceed 2% of the issued and outstanding common shares at the time of the grant.

3. The total number of options awarded to all persons employed by the Company who perform investor relations activities shall not exceed 2% of the issued and outstanding shares of the Company in any twelve month period.

4. Under TSX Venture Exchange policy all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

5. The Plan does not require vesting provisions for options issued except in limited circumstances.

Options, Warrants and Convertible Securities Outstanding as at August 31, 2011

On December 14, 2009, the Company granted to directors, officers, employees and consultants of the Company, Incentive Stock Options to purchase 17,700,000 common shares at an exercise price of $0.10 per common share vesting immediately. Subject to the early termination provisions of the Plan, the Options will expire on December 14, 2014.

On May 2, 2011, the Company granted to directors, officers and consultants of the Company Incentive Stock Options to purchase up to 9,100,000 Common Shares at an exercise price of $0.10 per Common Share. Subject to the early termination provisions in the Plan, the Options will expire on May 2, 2016.

On June 17, 2011 the Company granted to directors, officers and consultants of the Company incentive stock options to purchase 4,175,000 Common Shares at an exercise price of $0.10 per Common Share. The options vested on the date of the grant. Subject to the early termination provisions in the Plan, the Options will expire on June 17, 2016.

Options:

Name	Securities Under Options Granted (#)	Exercise or Base Price ($/Security)	Date of Grant	Expiration Date
Gerard M. Edwards	2,550,000 3,300,000 2,000,000 2,333,333	$0.10 $0.10 $0.10 $0.10	May 2, 2011 Dec. 14, 2009 March 3, 2008 Sept. 11, 2007	May 2, 2016 Dec. 14, 2014 March 3, 2013 Sept. 11, 2012
Robert G. Smiley	1,500,000 1,600,000 1,000,000 1,125,000	$0.10 $0.10 $0.10 $0.10	May 2, 2011 Dec. 14, 2009 March 3, 2008 Sept. 11, 2007	May 2, 2016 Dec. 14, 2014 March 3, 2013 Sept. 11, 2012
Jerome Byrne	1,500,000 1,600,000 1,000,000	$0.10 $0.10 $0.10	May 2, 2011 Dec. 14, 2009 March 3, 2008	May 2, 2016 Dec. 14, 2014 March 3, 2013
Employees / Consultants	4,175,000 3,550,000 9,000,000 5,000,000 5,016,666	$0.10 $0.10 $0.10 $0.10 $0.10	June 17, 2011 May 2, 2011 Dec. 14, 2009 March 3, 2008 Sept. 11, 2007	June 17, 2016 May 2, 2016 Dec. 14, 2014 March 3, 2013 Sept. 11, 2012

Share Purchase Warrants

As at August 31, 2011, there were:

- 30,000,000 share purchase warrants issued in 2010 as follows:
    - 10,500,000 warrants with an expiration date of October 13, 2012. Each warrant entitles holder to purchase at a price of $0.10 per share.
    - 11,500,000 warrants with an expiration date of October 29, 2012. Each warrant entitles holder to purchase at a price of $0.10 per share.
    - 8,000,000 warrants with an expiration date of November 12, 2012. Each warrant entitles holder to purchase at a price of $0.10 per share.

- 23,500,000 share purchase warrants issued in 2009 as follows:

  - 14,000,000 warrants with an original expiration date of July 30, 2011*. Each warrant entitles holder to purchase at a price of $0.10.

  - 5,750,000 warrants with an original expiration date of August 23, 2011*. Each warrant entitles holder to purchase at a price of $0.10.

  - 1,250,000 warrants with an original expiration date of September 7, 2011*. Each warrant entitles holder to purchase at a price of $0.10.

  *Note: On July 5, 2011, the Company announced that it proposed to extend the term of certain common share purchase warrants, which were issued in 2009, for an additional 12 months, as follows:

    a. 14,000,000 Warrants shall be amended to expire July 30, 2012,
    b. 5,750,000 Warrants shall be amended to expire August 23, 2012, and
    c. 1,250,000 Warrants shall be amended to expire September 7, 2012.

  Effective July 8, 2011, the application to amend the Warrants was accepted by the TSX Venture Exchange.

  - 2,500,000 warrants with an expiration date of October 4, 2011. Each warrant entitles the holder to purchase at a price of $0.10 per share.

Frankfurt Stock Exchange Listing

On April 10, 2006, the Company announced that it had made an application to seek a dual listing on a European exchange to provide the Company greater access to the global capital markets. This application was approved and on May 12, 2006, the Company announced that shares in the Company were quoted on the Frankfurt Stock Exchange under the trading symbol: DFM or via ISIN: CA1360761060. The Company's sponsoring bank in Frankfurt is Bader Wertpapierbank AG.

BUSINESS RISKS AND UNCERTAINTIES

The mineral and oil and natural gas industries inherently have many risks associated with them. The risks can be summarized in terms of economic, financial, cost of capital and environmental risk. Economic risk is the risk of finding and producing reserves at a cost, which produces an economic return. Financial risk consists of marketing production at a reasonable price given market conditions. Cost of capital is the risk associated with the Company's ability to obtain capital to fund its activities at a reasonable cost. Finally, environmental risk is the risk of carrying out operations with potential for adverse impact upon the environment. The Company has also put in place a business strategy to mitigate these risks.

The Company prepares its reserve estimates in accordance with National Instrument 51-101, the new standards of disclosure for oil and gas activities. The oil and gas reserve estimates are also made using all available geological and reservoir data as well as historical production date. Estimates are reviewed and revised as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes, reservoir performance or a change in the Company plans. Management is required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of the Company.

Liquidity

The Company is in the process of exploring its petroleum and natural gas and mineral properties and has not determined whether these properties contain economically recoverable reserves. Continuance of this exploration process is dependant on the Company to obtain necessary financing for property development and exploration expenditures. Primarily, the Company obtains funds through the issuance of equity instruments, and to a lesser degree, proceeds from disposition of certain petroleum and natural gas and mineral properties. Management of the Company has estimated that it has adequate funds from existing working capital, joint venture arrangements and proceeds from the subsequent disposition of certain petroleum and natural gas and mineral property interests to meet its corporate, administrative and property obligations for the coming year.

ACCOUNTING CHANGES

International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada’s current GAAP for those enterprises that are responsible to large or diverse groups of stakeholders. The official changeover date for interim and annual financial statements relates to fiscal years beginning on or after January 1, 2011. The Company’s changeover date will be December 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. Under IFRS, the primary audience is capital markets and as a result, there is significantly more disclosure required. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies which must be addressed.

Business combinations

In December 2008, the CICA issued section 1582 "Business Combinations", which will replace CICA section 1581 of the same name. Under this guidance, the purchase price used in a business combination is based on the fair value of shares exchanged at their market price at the date of the exchange. Currently the purchase price used is based on the market price of the shares for a reasonable period before and after the date the acquisition is agreed upon and announced. This new guidance generally requires all acquisition costs to be expensed, which currently are capitalized as part of the purchase price. Contingent liabilities are to be recognized at fair value at the acquisition date and re-measured at fair value through earnings (loss) each period until settled. Currently only contingent liabilities that are resolved and payable are included in the cost to acquire the business. In addition, negative goodwill is required to be recognized immediately in earnings (loss), unlike the current requirement to eliminate it to the extent possible, by deducting it from non-current assets in the purchase price allocation. Section 1582 will be effective for the Company on December 1, 2011.

Non-controlling interest

In December 2008, the CICA issued sections 1601, “Consolidated Financial Statements”, and 1602, “Non-controlling Interests”, which replaces existing section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements, subsequent to a business combination. These standards are effective for the Company on December 1, 2011.

The Company has not yet determined the impact of adopting these new standards.

CRITICAL ACCOUNTING ESTIMATES

Impairment
The Company applies a ceiling test to the capitalized cost of its petroleum and natural gas properties to ensure that the net carrying value does not exceed the estimated value of future net revenues from estimated production or proven properties using prices and costs in effect at the Company's year end, less administrative, financing, site restoration and abandonment and income tax expenses, plus the cost of unproven properties. Any reduction in the net carrying value of petroleum and natural gas properties as a result of the ceiling test is charged to operations in the period that the impairment is identified.

The Company periodically reviews the costs associated with undeveloped properties to determine whether the costs will be recoverable. If the results of the review indicate impairment has occurred, the cost of the property or the amount of the impairment is added to the capitalized costs subject to the "ceiling test" and depletion and depreciation.

Provision for Asset Retirement Obligations
The Company follows the current recommendations of the Canadian Institute of Chartered Accountants on accounting for asset retirement obligations. The standard requires that the fair value of an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement cost is capitalized as part of the carrying amount of the long lived asset. The depreciation of the capitalized asset retirement cost will be determined on a basis consistent with depreciation, depletion and amortization of the long lived asset. With the passage of time, accretion will increase the carrying amount of the asset retirement obligation.

Joint Venture Operations
Some of the Company's petroleum and natural gas exploration activities are conducted jointly with others. This document reflects only the Company's proportionate interest in such activities.

Other
The Company is required to estimate the fair market value of stock-based compensation. This estimate of fair value is determined using the Black-Scholes option model and stock-based compensation is recorded in accordance with the vesting periods of the Company's stock option plan.

FINANCIAL INSTRUMENTS

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to commodity price risk, credit risk, liquidity risk, market risk and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

The Company is required to classify financial instruments measured at fair value using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalents is considered level 1 as it is determined by cash balances held at financial institutions.

a. Commodity price risk
   Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas and minerals are impacted by world economic events that dictate the levels of supply and demand as well as foreign exchange rates. As the Company has not yet developed commercial oil and gas and mineral interests, it is not exposed to commodity price risk at this time.

b. Credit risk
   Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Company's current year accounts receivable are solely with Canada Revenue Agency and hence credit risk is mitigated. The Company's reclamation deposit is also subject to credit risk. The Company maintains its cash balance with one major national financial institution.

c. Liquidity risk
   The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

   To facilitate its expenditure program, the Company may enter into oil and gas as well as mineral property option agreements with third parties and/or raise funds through private equity placements or public offerings.

The Company is subject to liquidity risk given its accumulated deficit. If the Company is unable to obtain adequate additional financing by raising funds through private placements or through option agreement farm-outs, the Company will be required to curtail operations, exploration and development activities. As at November 30, 2010 and 2009, the Company's financial liabilities were comprised of accounts payable and accrued liabilities and which have either contractual or expected maturities of less than one year.

d. Market risk
The fair values of financial instruments consisting of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

e. Interest rate risk
The Company's cash and cash equivalents are invested in short-term deposit certificates issued by Canadian Chartered banks and a Canadian financial institution. The Company has no debt. The Company believes its interest rate risk is not significant.

TRANSACTIONS WITH RELATED PARTIES

Except as disclosed elsewhere, the Company had the following related party transactions:

a. During the quarter the Company was charged management fees aggregating \$36,000 (2010 - \$66,000), included in general and administration expense, to corporations which are controlled by officers and directors of the Company.

b. Included in accounts payable is \$48,421 (2010 - \$278,186) to directors of the Company, and parties related to them, for reimbursement of business expenses.

All related party transactions occurred in the normal course of operations and have been measured at the agreed to exchange amounts.

COMMITMENTS

a. Under a management agreement with companies controlled by a Director of the Company, the Company is committed to the payment of management fees of $12,000 per month respectively until February 2014.

b. Under a rental agreement with a third party, the Company is committed to the payment of a monthly rental fee of $4,500 per month until April 14, 2013.

c. The Company has an agreement with Shoal Point Energy to finance the drilling of well 3K-39 which commenced on January 12, 2011. Under the terms of the agreement, the Company committed to funding 19.25% of the $1M well deposit in the event that the well was not abandoned within the first 60 days of obtaining the Significant Discovery License ("SDL"); funding 19.25% of the cost of the SDL in excess of $1M; and funding 19.25% of costs associated with the test well in excess of $4.5M. Under the terms of the farmin agreement between SPE and the Company, SPE must drill, test and complete or abandon the 3K-39 well before earning occurs. Subsequent to the quarter ended August 31, 2011 the Company's debt related to the drilling of the 3K-39 has been settled. (Note: See Subsequent Events)

d. On February 27, 2011, the Company entered into a consulting agreement for investor relation services for one year. Under this agreement, the Company will pay $2,500 per month. The Company will also allocate 5,000,000 stock options at a price of $0.10 for a period of 18 months.

e. On April 13, 2011, the Company entered into an Area of Mutual Interest Agreement with SPE. The company has exercised its right to earn a 32% working interest in the Shallow Rights of EL 1120. Under the terms of the agreement, the Company is committed to paying their portion of the Farmin Costs. (Note: See Subsequent Events)

OUTLOOK

Liquid petroleum prices have strengthened over the past year as demand increased and supply remained constrained. Recent political unrest in the Middle East has put supplies from this area at risk, causing prices to rise sharply. If these elevated prices are sustained, the economic recovery could be de-railed, which would dampen demand and cause prices to moderate. While the market is likely to experience significant price swings in the near-term, the overall trend in the longer term is for continued price growth due to supply constraints.

The Company's activities in Western Newfoundland are at the front-end of an exploration-production cycle where petroleum prices in the period 2013 – 2033 are more relevant than today's prices. Initial investments will be modest and subsequent higher investments will only be made in the light of successful early project results and forecasts of petroleum prices which will yield positive economics.

SUBSEQUENT EVENTS

Except as disclosed elsewhere in the consolidated financial statements the Company had the following subsequent events:

- On September 30, 2011, the Company issued 5,000,000 incentive stock options to Anstey & Associates (a division of Atlantic Perspectives, Inc.). This issuance is pursuant to an investor relations consultancy agreement announced by the Company in a news release dated February 27, 2011. The stock options have an exercise price of $0.10 per share and will expire on March 31, 2013.

- On September 26, 2011, the Company announced that it had reached an agreement with Shoal Point Energy Ltd. ("SPE") whereby CIVC will acquire significant ownership position in the stock of SPE as well as the right to appoint a representative to the board of SPE. The agreement will also eliminate the Company's debt owing to SPE.

  The proposed deal which was subject to CIVC shareholder approval and TSX Venture Exchange approval was unanimously approved by the Board of CIVC. In considering the approval of this transaction, the Board and Management took into account SPE's excellent record as an operator in West Newfoundland as well as its superior technical team and the Company's demonstrated ability to conduct and fund operations in a frontier area. CIVC's Board of Directors and Management believe that the proposed transaction allows the Company and its shareholders to participate in the upside of the Green Point oil-in-shale play without risking further capital. The deal gives CIVC a significant share position in SPE and a seat on the board which means that the interests of CIVC shareholders will be protected.

- On October 25, 2011, the Company announced that at its Annual and Special General Meeting held on October 24, 2011, all resolutions proposed to shareholders were duly passed, including the approval of a purchase and sale agreement (the "Agreement") dated for reference September 23, 2011, between the Company and SPE, pursuant to which, the Company sold its working interests in offshore exploration licence #1070, its rights to participate in a farmout arrangement relating to offshore exploration licence #1120 and its interest in an Area of Mutual Interest Agreement with SPE (collectively, the "Transaction"). The lands are located in Western Newfoundland covering the Port au Port Bay.

  The Company also announced the closing of the Transaction, which took place on October 25, 2011 (the "Closing Date"). Pursuant to the Agreement, the Company acquired 20,000,000 units (the "Units") of Shoal Point. Each Unit is comprised of one common share (each an "Acquired Common Share") and one-half of one common share purchase warrant (each whole such warrant, an "Acquired Warrant") of Shoal Point. Each Acquired Warrant is exercisable to acquire an additional common share of Shoal Point at an exercise price of $0.40 per share for a period of two years from the Closing Date. The closing price of Shoal Point's common shares on the last trading day before the announcement of the Transaction was $0.195 per share. Based on this closing price, the aggregate deemed value of the Units is $3,900,000.

Shoal Point also paid to the Company $300,000 in cash on the Closing Date, and has agreed to pay an additional $200,000 (the "Final Cash Payment") on the date that is six months after the Closing Date. An additional 1,000,000 common shares of Shoal Point have been placed in escrow (the "Escrowed Shares"). If the final cash payment under the Agreement is not made by Shoal Point six months after the Closing Date, the Escrowed Shares will be released to the Company. If the final cash payment is made, the Escrowed Shares will be released to Shoal Point for cancellation.

The 20,000,000 Acquired Shares represent 9.46% of the issued and outstanding common shares of Shoal Point. The 10,000,000 Acquired Warrants represent 15.72% of the issued and outstanding warrants of Shoal Point.