CANADIAN IMPERIAL VENTURE CORP.
Financial Statements

For the years ended November 30, 2011 and 2010

Contents

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Independent Auditor's Report

To the Shareholders of Canadian Imperial Venture Corp.

We have audited the accompanying financial statements of Canadian Imperial Venture Corp., which comprise the balance sheets as at November 30, 2011 and 2010, and the statements of income (loss), comprehensive income (loss) and deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Imperial Venture Corp. as at November 30, 2011 and 2010 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants
March 26, 2012,
except for Note 17, dated March 28, 2012

CANADIAN IMPERIAL VENTURE CORP.

Balance Sheets

As at November 30	2011	2010
	$	$
ASSETS		
CURRENT		
Cash	**144,789**	1,068,812
Accounts receivable (Note 3)	**229,506**	64,709
Reclamation deposit	**55,568**	54,987
Prepaid expenses	**19,664**	42,736
Investment (Note 6)	**2,975,618**	-
	3,425,145	1,231,244
PROPERTY AND EQUIPMENT (Note 5)	**6,888**	5,918
PETROLEUM AND NATURAL GAS PROPERTIES (Note 3)	**-**	158,058
MINERAL EXPLORATION PROPERTIES (Note 4)	**-**	375,000
	3,432,033	1,770,220
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**341,120**	455,506
Asset retirement obligation (Note 7)	**5,537**	5,537
	346,657	461,043
SHAREHOLDERS' EQUITY		
Equity instruments (Note 8)	**13,758,271**	13,791,024
Contributed surplus (Note 8)	**2,927,612**	2,334,260
Deficit	**(13,600,507)**	(14,816,107)
	3,085,376	1,309,177
	3,432,033	1,770,220

COMMITMENTS (Note 14)

APPROVED BY THE BOARD

"Gerard Edwards" Director   *"Robert Smiley"* Director

CANADIAN IMPERIAL VENTURE CORP.
Statements of Income (Loss), Comprehensive Income (Loss) and Deficit

Years ended November 30	2011	2010
	$	$
REVENUE		
Interest	**2,777**	321
Petroleum and natural gas revenue	**900**	7,656
	3,677	7,977
EXPENSES		
General and administrative (Note 11)	**776,058**	954,528
Oil and gas production costs	**-**	4,581
Stock-based compensation (Note 8)	**561,305**	620,843
Interest and bank charges	**5,018**	1,382
Impairment (Notes 3, 4 and 5)	**611,260**	-
Recovery of doubtful accounts	**-**	(58,718)
Depletion and amortization	**5,939**	1,996
	1,959,580	1,524,612
OTHER INCOME/EXPENSES		
Gain on sale of petroleum and natural gas properties	**3,270,764**	10,500
Fair value movement of investment	**(108,088)**	-
Other revenue	**8,827**	-
	3,171,503	10,500
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) BEFORE INCOME TAXES	**1,215,600**	(1,506,135)
INCOME TAXES		
Future income tax recovery (Note 9)	**-**	75,388
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**1,215,600**	(1,430,747)
DEFICIT, BEGINNING OF YEAR	**(14,816,107)**	(13,385,360)
DEFICIT, END OF YEAR	**(13,600,507)**	(14,816,107)
Earnings (loss) per share - basic and diluted (Note 10)	**Nil**	(0.003)

See accompanying notes to the financial statements

CANADIAN IMPERIAL VENTURE CORP.
Statements of Cash Flows

Years ended November 30	2011	2010
Cash provided by (used for):	$	$
OPERATING ACTIVITIES		
Net Income (Loss)	**1,215,600**	(1,430,747)
Items not affecting cash:		
Depletion and amortization	**5,939**	1,996
Recovery of doubtful accounts	-	(58,718)
Stock-based compensation	**561,305**	620,843
Gain on sale of petroleum and natural gas properties	**(3,270,764)**	(10,500)
Fair value measurement of investment	**108,088**	-
Impairment	**611,260**	-
Future income tax recovery	-	(75,388)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	**36,590**	(11,257)
Decrease in prepaid expenses	**(1,929)**	7,007
Decrease in accounts payable and accrued liabilities	**(114,386)**	(109,522)
	(848,297)	(1,066,286)
INVESTING ACTIVITIES		
Changes in non-cash working capital:		
Increase in accounts payable and accrued liabilities	-	105,000
Increase in accounts receivable	**(200,000)**	-
Settlement of asset retirement obligations	-	(17,073)
Property and equipment additions	**(8,932)**	-
Proceeds from the sale of petroleum and natural gas properties	**349,197**	-
Petroleum and natural gas property additions	**(107,517)**	(34,533)
Mineral exploration property additions	**(107,188)**	(105,000)
Increase in reclamation deposits	**(581)**	(27,670)
	(75,021)	(79,276)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	1,500,000
Share issuance costs	**(705)**	(20,710)
	(705)	1,479,290
INCREASE IN CASH	**(924,023)**	333,728
CASH BEGINNING OF YEAR	**1,068,812**	735,084
CASH END OF YEAR	**144,789**	1,068,812

SUPPLEMENTAL CASH FLOW INFORMATION (Note 15)

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS

Canadian Imperial Venture Corp. (the "Company" or "CIVC") is incorporated under the laws of British Columbia, Canada.

The Company is an independent Canadian based resource company with interests focused in Canada.

The subsidiaries of the Company, USG Energy Corp. and ENEGI Inc., were amalgamated with the Company on November 29, 2011. These financial statements are presented as if amalgamation had occurred at the beginning of the comparative period. There is no effect to the previously reported numbers.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. The significant judgments and estimates included in these financial statements relate to the recoverability of accounts receivable, and the inputs used to estimate fair value of the investments that are observable directly or indirectly, and the measurement of stock based compensation. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Cash
Cash consists of cash on hand and deposits with financial institutions.

Joint venture interests
The Company's petroleum and natural gas exploration activities are conducted jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.

Reclamation deposits
Regardless of whether an actual liability for the reclamation of petroleum and natural gas properties exists, the Company classifies amounts deposited with environmental agencies or amounts held as security for potential reclamation liabilities separately from cash.

Depletion and amortization
Capitalized costs, together with estimated future capital costs associated with proved reserves, are depleted using the unit-of-production method based on estimated gross proved reserves of petroleum and natural gas as determined by qualified independent engineers. For purposes of this calculation, reserves and production are converted to equivalent units of oil based on relative energy content of six thousand cubic feet of gas to one barrel of oil. Costs of significant unproved properties, net of impairment, are excluded from the depletion and amortization calculation until it is determined whether or not proven reserves are attributable to the property or impairment occurs. All of the interests that the Company had in the year were unproved.

Property and equipment are recorded at cost and amortized over the estimated useful life of the assets using the following methods and annual rates:

Office furniture and equipment	20%	declining balance method
Computer equipment	100%	declining balance method

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Petroleum and natural gas properties

The Company follows the full cost method of accounting for petroleum and natural gas properties whereby all costs of exploring for and developing oil and gas properties are capitalized into a single Canadian cost centre. Such costs include land acquisition costs, costs of drilling both productive and non-productive wells, geological and geophysical expenditures and well equipment. The Company has capitalized, as part of its petroleum and natural gas properties, general and administration expenses relating to property acquisition, exploration and development activities, but no interest costs have been capitalized. Gains or losses on the sale or disposition of oil and gas properties will not ordinarily be recognized except under circumstances which result in a major revision of depletion rates (greater than 20%) and which would result in a material gain or loss.

The Company will apply a "ceiling test" to capitalized costs to ensure that such costs do not exceed future net revenues from estimated production of proven reserves, 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 value as a result of the ceiling test will be charged to operations.

For purposes of the depletion and amortization calculation, petroleum and natural gas properties and related equipment, excluding undeveloped properties, will be depleted and depreciated using the unit-of-production method based on estimated proven reserves before deduction of royalties and after conversion to units of common measure based on their approximate relative energy content.

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 amortization.

Gains and losses on the disposition of petroleum and natural gas properties are recognized when crediting the proceeds exceeds the capitalized costs or results in a significant change in the depletion rate.

Mineral exploration properties

The Company defers expenditures related to the acquisition, exploration and development of its exploration properties. Deferred expenditures relating to exploration projects represent costs to be charged to operations in the future and do not necessarily reflect the present or future value of projects.

Management periodically reviews the carrying values of mineral exploration properties. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of the mineral property leases and the general likelihood that the Company will continue exploration on the project. If a mineral exploration property is abandoned or it is determined that its carry value cannot be supported by future production or sale, the related costs are charged against operations in the year of abandonment.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Asset retirement obligations
The Company recognizes a liability for retirement obligations associated with long-lived assets, which includes the abandonment of petroleum and natural gas wells, related facilities, compressors and plants, removal of equipment from leased acreage and returning such land to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is determined through a review of engineering studies, industry guidelines, and management estimates. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Company's credit adjusted risk-free interest rate. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the statement of income (loss), comprehensive income (loss) and deficit. The liability is also adjusted due to revisions in either timing or the amount of the original estimated cash flows associated with the liability. The increase in the carrying value of the asset is amortized using the unit-of-production method based on estimated gross proved reserves as determined by independent engineers. Actual costs incurred upon settlement of the asset retirement obligations are charged against the asset retirement obligation to the extent of the liability recorded.

Revenue recognition
Interest revenue is recognized on a pro-rata basis as earned, assuming collection is reasonably assured.

Stock-based compensation
The Company accounts for stock options granted to employees, directors and consultants using the fair value method of accounting. Under this method, stock-based compensation is recorded as an expense over the vesting terms of the options for employee options and over the service period for consultant options, with a corresponding increase recorded as contributed surplus. Stock-based compensation expense is based on the estimated fair value of the related stock option at the time of the grant for employee options and at the earlier of the performance date, performance commitment date or vest date for consultant options, using the Black-Scholes option pricing model. When stock options are exercised, the consideration received with the corresponding amounts previously recorded in contributed surplus are credited to share capital. Forfeitures are accounted for as they occur which result in a reduction in compensation expense if the options have not vested.

Warrants
The Company issues share purchase warrants from time to time. These warrants are measured and recorded as equity instruments at fair value using the relative fair value method which uses the Black-Scholes option pricing model. Forfeitures and expiries are accounted for as they occur which results in a reduction in equity instruments and an increase in contributed surplus.

Flow-through shares
The Company finances a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, a future tax liability is recognized and the carrying value of the shares issued is reduced by the tax effect of the tax benefits when renounced to subscribers.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Income taxes
The Company follows the tax asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the carrying value and the tax basis of assets and liabilities, and measured using substantively enacted tax rates and laws expected to be in effect when the differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is substantively enacted. A valuation allowance is recorded against a future income tax asset if it is not considered likely that the asset will be realized.

Earnings (loss) per share
Basic per share amounts are calculated using the total weighted average number of common shares outstanding during the year. Diluted per share calculations reflect the exercise or conversion of potentially dilutive securities or other contracts to issue shares at the later of the date of grant of such securities or the beginning of the year. The Company computes diluted loss per share using the treasury stock method to determine the dilutive effect of securities or other contracts. Under this method, the diluted weighted average number of shares is calculated assuming the proceeds that arise from the exercise of outstanding, in-the-money options or other contracts to issue shares are used to purchase common shares of the Company at their average market price for the year. When the conversion of options and other instruments to convert to common shares is anti-dilutive there is no difference between basic and diluted per share amounts.

Financial instruments
The Company classifies all financial instruments in one of the following categories: held-to-maturity, available-for-sale, held-for-trading, loans and receivables or other financial liabilities. Financial assets held to maturity, loans and receivables and other financial liabilities are measured initially at fair value on inception and then subsequently carried at amortized cost. Available-for-sale instruments are initially and subsequently measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). Held-for-trading instruments are measured initially and subsequently at fair value with unrealized gains and losses recognized in the profit or loss for the year. Regular way purchases and sales of financial assets are accounted for on settlement date.

The Company has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Reclamation deposit	Loans and receivables
Investment	Held-for-trading
Accounts payable and accrued liabilities	Other financial liabilities

Comprehensive income (loss)
Comprehensive income (loss) is the change in equity of the Company during the year as a result of transactions and other events and circumstances from non-owner sources.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Future accounting policies

International Financial Reporting Standards ("IFRS")
In February 2008 the Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2012, will contain IFRS-compliant information on a comparative basis, as well as reconciliations for that quarter and as at the December 1, 2010 transition date.

As a result, the Corporation will publish its first financial statements prepared in accordance with IFRS for the quarter ended February 28, 2012.

3. PETROLEUM AND NATURAL GAS PROPERTIES

	2011				
	Balance, beginning of year	**Additions**	**Dispositions**	**Accumulated depletion and impairment**	**Balance, November 30**
	$	**$**	**$**	**$**	**$**
Exploration and development costs	**158,058**	**2,872,041**	**2,903,050**	**(127,049)**	**-**

	2010				
	Balance, beginning of year	Additions	Dispositions	Accumulated depletion and impairment	Balance, November 30
	$	$	$	$	$
Exploration and development costs	-	158,058	-	-	158,058

Amounts not subject to depletion and amortization are $nil (2010 – $158,058). During the year the Company capitalized $25,000 (2010 - $75,200) of general and administrative costs relating to geological consulting fees.

3. PETROLEUM AND NATURAL GAS PROPERTIES - continued

Effective October 25, 2011 the Company sold substantially all of its oil and natural gas property interests to Shoal Point Energy Ltd. ("SPE"), an arm's length party publicly traded on the CNSX. Consideration for the sale included 20 million common shares and 10 million common share purchase warrants of SPE and $500,000 cash of which $300,000 was paid on the October 25, 2011 closing date, and the remaining $200,000 balance due on or before April 25, 2012. All securities issued in this transaction are subject to a four month hold period. At November 30, 2011, 1 million shares of SPE were held in escrow in the event the final payment was not received. Subsequent to year end, the $200,000 was received from SPE and the shares were released from escrow. Concurrent with the sale, all outstanding debt between SPE and CIVC relating to certain drilling activities was extinguished on the transaction closing. A gain on sale of petroleum and natural gas properties of $3,270,764 was recognized as a result of this transaction.

At November 30, 2011 the Company has reviewed the carrying value of its remaining oil and natural gas properties and recorded, in impairment expense, a provision of $127,049 (2010 - $nil).

4. MINERAL EXPLORATION PROPERTIES

	2011			
	Balance, beginning of year	**Additions**	**Accumulated depletion and impairment**	**Balance, November 30**
	$	**$**	**$**	**$**
Exploration and development costs	**375,000**	**107,188**	**(482,188)**	**-**

	2010			
	Balance, beginning of year	Additions	Accumulated depletion and impairment	Balance, November 30
	$	$	$	$
Exploration and development costs	-	375,000	-	375,000

On October 1, 2010, the Company entered into an agreement with an arm's length party to earn a 40% interest in two mineral licenses in Western Newfoundland and incurred $482,188 of related costs, $270,000 of which related to shares issued in 2011 (Note 8(b)(iii)).

Effective November 29, 2011, mineral license 16508M was cancelled. Subsequent to year end the other three licenses were cancelled. At November 30, 2011 the Company has reviewed the carrying value of its mineral exploration properties and determined that the carrying amount exceeds the recoverable amount and has therefore recorded an impairment provision of $482,188 (2010 - $nil) included in impairment expense.

5. PROPERTY AND EQUIPMENT

	November 30, 2011				November 30, 2010		
	Cost	**Accumulated Amortization**	**Impairment**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
	$	**$**	**$**	**$**	$	$	$
Office furniture	**16,673**	**9,785**	**-**	**6,888**	7,741	4,713	3,028
Computer equipment	**40,921**	**38,898**	**2,023**	**-**	40,921	38,031	2,890
Total	**57,594**	**48,683**	**2,023**	**6,888**	48,662	42,744	5,918

At November 30, 2011 the Company has reviewed the carrying value of its property and equipment and recorded an impairment provision of $2,023 (2010 - $nil) included in impairment expense.

6. INVESTMENT

In connection with the sale of the petroleum and natural gas property, on October 25, 2011 (Note 3), the Company acquired, as consideration, 20,000,000 units of SPE. Each unit is comprised of one common share and one-half of one common share purchase warrant (10,000,000 warrants in total). Each whole warrant is exercisable to acquire an additional common share of SPE at an exercise price of $0.40 per share for a period of two years expiring October 25, 2013.

The Company irrevocably designated this investment as held-for-trading on initial recognition. The Company initially valued the shares as $2,840,000 based on the $0.165 quoted common share price on the closing date of $3,300,000 less a common share trading restriction discount of $460,000 for the 4 month common share escrow period. The warrant fair value was initially estimated as $243,706. The assumptions used with regard to these estimates were determined using the Black Scholes option pricing model with the following assumptions:

	Common share trading restriction discount	Warrants
Volatility	62%	70%
Risk-free rate	1.0%	1.0%
Dividend yield	Nil	nil
Expected life	4 months	2 years

Due to its classification as a held-for-trading financial instrument, the investment is measured subsequent to initial recognition at fair value. At November 30, 2011, the common shares and warrants were remeasured as $2,780,000 and $195,618 respectively, which resulted in a $108,088 loss on fair value.

7. ASSET RETIREMENT OBLIGATION

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of petroleum and natural gas and mineral properties:

	November 30, 2011	November 30, 2010
	$	$
Balance, beginning of year	**5,537**	**33,110**
Disposal on sale (Note 3)	**(48,125)**	**(10,500)**
Liabilities incurred	**48,125**	**-**
Liabilities settled	**-**	**(17,073)**
Balance, end of year	**5,537**	**5,537**

The undiscounted amount of estimated cash flows required to settle the obligation is equal to the fair value of the obligation due to its short term nature as it is expected to be settled during 2012. The obligation was fully accreted by November 30, 2010.

8. EQUITY INSTRUMENTS

a) *Authorized:*
Unlimited number of voting common shares without par value
Unlimited number of preferred shares without par value

b) *Equity instruments issued, issuable and outstanding:*

	November 30, 2011		November 30, 2010	
Equity instruments issued	**Number**	**$**	Number	$
Common Shares				
Balance, beginning of year	**510,588,361**	**12,865,343**	480,588,361	11,971,873
Issued during the year:				
Private placements (i)	-	-	30,000,000	968,858
Tax effect of flow-through expenditure renouncements (ii)	-	-	-	(75,388)
Issued for working interest in Mineral License (iii)	**3,000,000**	**270,000**	-	-
Warrant extension (iv)		**(193,763)**	-	-
Balance, end of year	**513,588,361**	**12,941,580**	510,588,361	12,865,343
Warrants				
Balance, beginning of year	**53,500,000**	**723,239**	23,500,000	192,097
Warrants issued in private placement (i)	-	-	30,000,000	531,142
Warrant extension (iv)	-	**193,763**	-	-
Warrants expired (v)	**(2,500,000)**	**(32,047)**	-	-
Balance, end of year	**51,000,000**	**884,955**	53,500,000	723,239
Share issuance costs		**(68,264)**		(67,558)
		13,758,271		13,521,024
Common Shares issuable				
Issued for working interest in Mineral License (iii)	-	-	3,000,000	270,000
Balance, end of year		**13,758,271**		13,791,024

8. EQUITY INSTRUMENTS - continued

i. Private placement financing

During the prior year, the Company completed a non-brokered private placement with three closings whereby 30 million units at a price of $0.05 each were issued for gross proceeds of $1.5 million. Each unit is comprised of one common share and one non-transferable common share purchase warrant with a total fair value of $0.018 per warrant or $531,142 in aggregate. Each warrant will entitle the holder to buy an additional common share in the capital of the Company for a period of two years at a price of $0.10. The fair value of the warrants was estimated using the relative fair value method which used the Black-Scholes option pricing model using the assumptions described in Note 8(c). A total of 9,050,000 of the 30,000,000 units were purchased by related parties.

In accordance with the terms of the 2009 private placement of the flow-through shares, the Company had to renounce for income tax purposes, exploration expenditures in the amount of $235,000. The Company has an unspent flow-through commitment of $nil at November 30, 2011 (2010 - $123,188).

ii. Flow through share renouncement

In February 2010, the Company renounced $235,000 of flow-through expenditures. As a result of the renunciation, the Company recognized $75,388 against share capital in the prior year.

iii. Acquisition of working interest in mineral license

On October 1, 2010, the Company entered into an agreement with an arm's length company to earn a 40% interest in two mineral licenses (Note 4). On November 29, 2010, the securities regulator approved the share issuance; however the shares were not issued until 2011. The Company issued the 3,000,000 common shares with a fair value on the 2011 issue date of $270,000.

iv. Warrant Extension

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:

- 14,000,000 Warrants shall be amended to expire July 30, 2012,
- 5,750,000 Warrants shall be amended to expire August 23, 2012 and
- 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.

The fair value of the modification was estimated to be $193,763 using the Black-Scholes option pricing model using the assumptions described in Note 8(b).

v. Warrants Expired

On October 4, 2011, 2,500,000 warrants expired.

8. EQUITY INSTRUMENTS - continued

c) *Warrants*

The following table summarizes the warrants outstanding and exercisable at November 30, 2011:

	November 30, 2011		November 30, 2010	
	Number of Warrants	**Weighted Average Exercise Price $**	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of the year	**53,500,000**	**0.10**	23,500,000	0.08
Issued	-	-	30,000,000	0.10
Expired	**(2,500,000)**	**0.10**	-	-
Balance, end of year	**51,000,000**	**0.10**	53,500,000	0.09

Details of warrants outstanding and exercisable at November 30, 2011 are as follows:

Number	**Exercise Price**	**Expiry Date**
	$	
14,000,000	0.10	July 30, 2012
5,750,000	0.10	August 23, 2012
1,250,000	0.10	September 7, 2012
10,500,000	0.10	October 13, 2012
11,500,000	0.10	October 29, 2012
8,000,000	0.10	November 12, 2012
51,000,000		

The weighted average exercise price of the warrants is $0.10 (2010 - $0.09). The revaluation of modified warrants in 2011 and the fair value of the warrants issued in 2010 were determined using the Black-Scholes option pricing model using the following assumptions:

	2011	2010
Dividend yield	**0%**	0%
Expected volatility	**90% - 95%**	126% 130%
Risk free rate of return	**1.3% - 1.4%**	1.4%-1.6%
Weighted average life	**1 year**	2 years
Weighted average fair value of warrants granted	-	$0.03 - $0.045

8. EQUITY INSTRUMENTS - continued

d) Stock-based compensation

The Company has a rolling stock option plan (the "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 Venture Exchange ("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 not later than a maximum of 10 years from the date of grant.

Terms of the Plan are as follows:

i. 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.

ii. 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.

iii. 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.

iv. Under TSX.V 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.

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

During the year, 5,988,753 stock options have expired and 4,200,000 fully vested options were cancelled. Stock options issued to previous consultants were cancelled in accordance with the plan.

8. EQUITY INSTRUMENTS – continued

The fair value of the options granted were estimated on the date of grant using the Black-Scholes fair value option-pricing model and the following assumptions:

	2011	2010
Dividend yield	**0%**	0%
Expected volatility	**98 - 114%**	120 - 139%
Risk-free interest rate	**0.9 - 2.6%**	2.5%
Weighted-average expected life	**1.5 - 5 years**	2 - 5 years
Weighted average fair value of options granted	**$0.03**	$0.04

For the year ended November 30, 2011 stock based compensation expense of $561,305 (2010 - $620,843) was credited to contributed surplus and expensed. All of the options granted during the year had a market price less than the exercise price.

	November 30, 2011		November 30, 2010	
	Number of Options	**Weighted-Average Option Price**	Number of Options	Weighted-Average Option Price
		$		$
Balance, beginning of the year	**43,163,752**	**0.11**	24,463,752	0.11
Issued	**18,000,000**	**0.10**	18,700,000	0.10
Expired	**(5,988,753)**	**(0.15)**	-	-
Cancelled	**(4,200,000)**	**(0.10)**	-	-
Balance, end of year	**50,974,999**	**0.10**	43,163,752	0.11

Details of stock options outstanding at November 30, 2011 are as follows:

Number of Options Outstanding	**Number of Options Outstanding and Exercisable**	**Exercise Price**	**Expiry Date**	**Weighted Average Contractual Life of Options**
		$		
8,474,999	8,474,999	0.10	September 12, 2012	0.8
9,000,000	9,000,000	0.10	March 3, 2013	1.3
5,000,000	1,250,000	0.10	March 31, 2013	1.3
15,500,000	15,500,000	0.10	December 14, 2014	3.0
9,100,000	9,100,000	0.10	May 2, 2016	4.4
3,900,000	3,900,000	0.10	June 17, 2016	4.5
50,974,999	47,224,999			

8. EQUITY INSTRUMENTS - continued

Options exercisable at November 30, 2011 were 47,224,999 (2010 - 43,163,752), with a weighted average exercisable price of $0.10 (2010 - $0.11).

e) Contributed Surplus

The balance is represented by the following:

	November 30, 2011	November 30, 2010
	$	$
Balance, beginning of the year	**2,334,260**	1,713,417
Stock based compensation expense	**561,305**	620,843
Expiration of Warrants	**32,047**	-
Balance, end of year	**2,927,612**	2,334,260

9. INCOME TAXES

At November 30, 2011, the Company has accumulated development and exploration expenditures of approximately $ 21,343,389 (2010 - $22,743,000) that are available to offset taxable income for future years at various rates.

The components of the future income tax liability at November 30, 2011 and 2010 are as follows:

	November 30, 2011	November 30, 2010
	$	$
Nature of temporary differences		
Property and equipment	**7,057,867**	6,599,812
Share issue costs and finance fees	**6,995**	10,321
Tax loss carry forward	**859,978**	1,994,808
	7,924,840	8,604,941
Less: Valuation allowance	**7,924,840**	8,604,941
Future income tax liability	-	-

9. INCOME TAXES - continued

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial tax rates of 30.87% (2010 - 32.04%) to the loss before income taxes as follows:

	November 30, 2011	November 30, 2010
	$	$
Expected tax recovery	**375,282**	(482,610)
Stock based compensation costs	**171,900**	199,187
Other	**(14,259)**	15,473
Change in valuation allowance	**(680,101)**	(82,636)
Effect of change in rates	**147,178**	275,198
Future tax recovery	**-**	(75,388)

The Company has the following non-capital loss carry-forwards available:

$	**Year of Expiry**
401,240	2014
2,206,027	2015
129,878	2026
201,085	2027
17,600	2028
534,928	2029
949,705	2030
5,951	2031
4,446,414	

10. EARNINGS (LOSS) PER SHARE

Weighted Average Number of Common Shares:	**November 30, 2011**	November 30, 2010
Basic weighted average number shares outstanding	**513,251,375**	483,371,923
Effect of options issued	**18,114,245**	-
Diluted weighted average number of shares outstanding	**531,365,620**	483,371,923

11. RELATED PARTY TRANSACTIONS

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

i. During the year the Company was charged management fees aggregating $174,000 (2010 - $264,000) and consulting fees of $17,540 (2010 - $nil), included in general and administration expense, by corporations which are controlled by officers and directors of the Company.

ii. Included in accounts payable is $77,684 (2010 - $38,456) 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.

12. FINANCIAL INSTRUMENTS

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

a) 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 majority of the Company's current period accounts receivable relates to amounts due from sale of properties which had certain common shares in escrow as collateral. The amount due on the sale of properties was received subsequent to year end. The remaining amount due is from 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 two major national financial institutions. The investment held by the Company is in one company who operates in the oil and gas industry. The Company is exposed to the risks of this investee and the industry in which it operates.

The maximum credit risk at the year end is represented by the recognized carrying amounts. Past due amounts included in accounts receivable at year end was $29,506 (2010 - $43,300).

b) 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.

12. FINANCIAL INSTRUMENTS - continued

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, through option agreement farm-outs or to recover its investment, the Company will be required to curtail operations, exploration and development activities. As at November 30, 2011 and 2010, the Company's financial liabilities were comprised of accounts payable and accrued liabilities which have either contractual or expected maturities of less than one year.

c) Market risk
Market risk is the risk that changes in market prices, such as commodity prices, and equity prices will affect the Company's income (loss).

The carrying amounts of financial instruments consisting of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. The carrying value of the investment is equal to its estimated fair value based on assumptions derived from direct and indirect observable inputs.

i. Commodity price risk
Commodity price risk is the risk that the fair value of 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.

ii. Equity price risk
The fair value of the Company's investment in equity instruments is subject to fluctuations in the quoted market price from which its fair value is derived. A 10% decrease in the quoted price of the shares underlying the investment would decrease income by approximately $300,000. A corresponding increase would have an equal and opposite effect.

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 current financial assets and liabilities held at fair value, except as described, are classified as level 1 and the investment is classified as level 2.

13. CAPITAL MANAGEMENT

The Company monitors its cash, investments, common shares, warrants and deficit as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not subject to externally imposed capital requirements.

14. COMMITMENTS

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

15. SUPPLEMENTAL CASH FLOW INFORMATION

	November 30, 2011 $	November 30, 2010 $
Addition to mineral properties on issue of equity instruments	-	270,000
Prepaid expenses capitalized to petroleum and natural gas properties	**25,000**	75,200
Non-cash additions to petroleum and natural gas properties	**2,740,911**	-
Recovery of bad debt for petroleum and natural gas properties	-	63,525
Value of shares and warrants received in exchange for petroleum and natural gas property	**3,083,706**	-

16. SEGMENTED INFORMATION

During the year the Company sold its interest in its petroleum and natural gas assets (Notes 3 and 5) and impaired its mineral property licenses (Note 4), which represented previously identified segments of the Company. At the year end, the sole remaining segment as previously reported relates to Corporate.

16. SEGMENTED INFORMATION - continued

November 30, 2010

	Petroleum and Natural Gas $	Mineral Exploration $	Corporate $	Total $
Petroleum and natural gas revenue	18,156	-	-	18,156
Interest revenue	-	-	321	321
Production costs	4,581	-	-	4,581
Depletion and amortization expense	-	-	1,996	1,996
Gain on disposal of property	(10,500)			(10,500)
Income tax expense (recovery)	(75,388)	-	-	(75,388)
Income (loss) and comprehensive loss	88,963	-	(1,519,710)	(1,430,747)
Property and equipment	158,058	375,000	5,918	538,976
Capital expenditures	34,533	105,000	-	139,533
Non-cash acquisition of property	123,525	270,000	-	393,525
Non-cash proceeds on disposition of property	-	-	-	-

17. SUBSEQUENT EVENTS

On February 2, 2012, the Company announced that it had entered into an arm's length letter of intent (the "LOI") with Carina Energy Inc. ("Carina"), a private mining exploration company based in Toronto, Ontario, whereby CIVC intended to acquire all of the issued and outstanding securities of Carina (the "Acquisition").

On March 28, 2012 the parties entered a new agreement whereby CIVC proposes to farm-in, for a 55% working interest, to the Little Bear Lake Property (the "Property") of Carina. It is proposed the Company will deliver to Carina 6 million shares on the closing date and on the first anniversary of the closing date the Company will deliver an additional 5 million shares to Carina. The Company would be required to spend $600,000 of expenditures on the property within two years of the closing date and would be responsible for certain obligations which are anticipated to be $320,000 payable 50% in cash and 50% in CIVC shares. The letter of intent is subject to, among other things, acquisition of a strategic claim, execution of a definitive joint venture or farm in agreement and receipt of all requisite regulatory approvals including the TSX Venture Exchange.