Canadian Imperial Venture Corp.

ILLUSTRATIVE IFRS CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six month period ended May 31, 2012

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

"Gerard M. Edwards"

President and CEO

July 27 , 2012

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Expressed in Canadian Dollars

	May 31, 2012 $	November 30, 2011 $
Assets		
Current assets		
Cash (Note 5)	**$ 246,049**	$ 144,789
Accounts receivable	**44,329**	229,506
Reclamation deposit (Note 7)	**55,848**	55,568
Prepaid expenses and deposits	**13,120**	19,664
Held for trading investment (Note 6)	**2,785,708**	2,975,618
Total current assets	**$ 3,145,054**	$ 3,425,145
Non-current assets		
Petroleum and natural gas exploration and evaluation assets (Note 8)	**-**	-
Mineral exploration and evaluation assets (Note 8)	**-**	-
Property, plant and equipment (Note 9)	**7,115**	6,888
Total non-current assets	**$ 7,115**	$ 6,888
Total assets	**$ 3,152,169**	$ 3,432,033
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	**$ 222,793**	$ 341,120
Other liabilities (Note 10)	**3,195**	5,537
Total current liabilities	**$ 225,988**	$ 346,657
Total liabilities	**$ 225,988**	$346,657
Shareholders' equity		
Share capital (Note 11)	**$ 13,833,659**	$ 13,833,659
Contributed surplus (Note 11)	**2,940,192**	2,932,053
Accumulated deficit	**(13,847,670)**	(13,680,336)
Total shareholders' equity	**$ 2,926,181**	$ 3,085,376
Total liabilities and shareholders' equity	**$ 3,152,169**	$ 3,432,033

Signed on behalf of the Board of Directors by: ____*"Gerard Edwards"*____________

_____*"Robert Smiley"*_____________

The accompanying notes form an integral part of these condensed interim financial statements

Expressed in Canadian Dollars

	Three Months Ended May 31		Six Months Ended May 31	
	2012	2011	**2012**	2011
Fair value gains (losses) on held for trading investments (Note 6)	**$ (5,492,713)**	$ -	**$ 170,231**	$ -
Interest Income	**140**	150	**280**	156
Total income	**(5,492,573)**	150	**170,511**	156
Depreciation (Note 9)	**1,331**	861	**2,568**	1,229
Share based compensation expense (Note 12)	**2,747**	413,254	**8,139**	416,130
Finance expense	**125**	542	**380**	4,790
General and administrative expenses (Note 13)	**203,205**	176,361	**326,758**	365,922
Total expenses	**207,408**	591,018	**337,845**	788,071
Net Loss and comprehensive income (loss) for the period	**$(5,699,981)**	$(590,868)	**$(167,334)**	$(787,765)
Loss per common share, basic and diluted (Note 16)	**$ (0.01)**	$ (0.001)	**$ (0.0003)**	$ (0.002)

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Expressed in Canadian Dollars

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance at December 1, 2010	**$ 13,866,412**	**$ 2,334,260**	**$ -**	**$(14,891,495)**	**$1,309,177**
Loss for the period	-	-	-	(787,765)	(787,765)
Stock options issued	-	416,130	-	-	416,130
Share issue costs	(706)	-	-	-	(706)
Balance at May 31, 2011	**$13,865,706**	**$2,750,390**	**$ -**	**$(15,679,260)**	**$936,836**
Balance at December 1, 2011	**$13,833,659**	**$2,932,053**	**$ -**	**$(13,680,336)**	**$3,085,376**
Income for the period	-	-	-	(167,334)	(167,334)
Stock based compensation expense	-	8,139	-	-	8,139
Balance at May 31, 2012	**$13,833,659**	**$2,940,192**	**$ -**	**$(13,847,670)**	**$2,926,181**

The accompanying notes form an integral part of these condensed interim financial statements

Expressed in Canadian Dollars

	May 31, 2012	May 31, 2011
Cash flows from operating activities		
Income (loss) for the period	**$ (167,334)**	$(787,765)
Adjustments to reconcile loss to net cash used in operating activities:		
Depreciation (Note 9)	**2,568**	1,229
Stock-based compensation	**8,139**	416,130
Fair value gain on held for trading investment	**(170,231)**	-
Changes in non-cash working capital balances:		
Accounts receivables	**185,177**	19,632
Prepaid expenses	**6,544**	27,862
Trade and other payables	**(118,327)**	1,768,965
Total cash inflows (outflows) from operating activities	**$ (253,464)**	$ 1,446,053
Cash flows from investing activities		
Property plant, and equipment additions	**(2,795)**	(2,961)
Petroleum and natural gas exploration and evaluation assets additions	**-**	(2,135,123)
Mineral exploration and evaluation assets additions	**-**	(105,000)
Proceeds from sale of investment	**360,141**	-
Settlement of asset retirement obligation	**(2,342)**	-
Change in reclamation deposits	**(280)**	(306)
Total cash outflows from investing activities	**$ 354,724**	$ (2,243,390)
Cash flows from financing activities		
Costs of issue of shares	**-**	(706)
Total cash inflows from financing activities	**$ -**	$ (706)
Total increase (decrease) in cash during the period	**$ 101,260**	$ (798,043)
Cash at beginning of period (Note 5)	**$ 144,789**	$1,068,812
Cash at end of period (Note 5)	**$ 246,049**	$ 270,769

The accompanying notes form an integral part of these condensed interim financial statements

1. CORPORATE INFORMATION

Canadian Imperial Venture Corp.'s (the "Company") business activity is the exploration and evaluation of resource properties in Canada. Canadian Imperial Venture Corp. was incorporated under the Canada Business Corporations Act of British Columbia. The Company is listed on the TSX Venture Exchange, having the symbol CQV.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Company for the year-ending November 30, 2012 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). These condensed interim financial statements for the six month period ended May 31, 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting, and as they are part of the Company's first IFRS annual reporting period, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

The preparation of these interim condensed Financial Statements resulted in selected changes to the Company's annual audited Financial Statements for the period ended November 30, 2011 issued under previous GAAP.

The accounting principles and practices as applied in these interim condensed financial statements for the period ended May 31, 2012 remain unchanged from the quarter ended February 29, 2012. These policies have been retrospectively and consistently applied except where specific exemptions permitted an alternative treatment upon transition to IFRS in accordance with IFRS 1 as disclosed in Note 18.

These condensed interim financial statements should be read in conjunction with the Company's first quarter February 29, 2012 interim condensed financial statements and the Company's 2011 annual financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 18.

The condensed interim financial statements were authorized for issue by the Board of Directors on July 27, 2012.

b) Basis of Measurement

The condensed interim financial statements have been prepared on a historical cost basis, except for held for trading investment, derivative financial instruments and share based payment transactions which are measured at fair value.

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year-ending November 30, 2012 and have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS balance sheet at December 1, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

a) Foreign Currency Transactions

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and losses arising on the retranslation of monetary held for trading financial assets are treated as a separate component of the change in fair value and recognized in net income. Exchange gains and losses on non-monetary held for trading financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

b) Cash

Cash includes cash on hand, deposits held with financial institutions.

c) Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures[1]

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

[1] Capitalizing vs. Expensing Exploration and Evaluation Costs:

Under IFRS 6, upon transition to IFRS, an entity may continue to follow their current accounting policies, whereby E&E expenditures are capitalized or a Company may elect to expense all E&E costs. Current industry practice on the capitalization vs. expensing of E&E activities varies by company. Significant management judgment is required to determine appropriate accounting policies relating to the treatment of E&E expenditures upon transition to IFRS. Canadian Imperial Venture Corp. has elected to continue to capitalize E&E activities that are directly related to the discovery, acquisition or development of E&E activities upon transition to IFRS.

Exploration and Evaluation Expenditures (continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

d) Reclamation Deposits

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are classified as loans and receivables.

e) Property, Plant and Equipment

Recognition and Measurement

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Major Maintenance and Repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Gains and Losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and is provided on a declining balance method over the estimated useful life of the assets as follows:

Furniture and Fixtures	20% declining balance method
Office Equipment	100% declining balance method

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Impairment of Non-Financial Assets

Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

g) Financial Instruments

Financial Assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held For Trading Investments

Held for trading investments are measured initially and subsequently at fair value with changes in fair value with unrealized gains and losses recognized in the profit or loss for the year.

Purchases and sales of held for trading financial assets are recognized on a trade date basis.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Trade payable amounts are unsecured.

h) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related resource assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

i) Revenue Recognition

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

j) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

k) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

l) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has adopted the amendments to IFRS 1 which replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs'. This eliminates the need for the Company to restate derecognition transactions that occurred before the date of transition to IFRSs. The amendment is effective for year-ends beginning on or after July 1, 2011. The impact of the amendment and early adoption is that the Company only applies IAS 39 derecognition requirements to transactions that occurred after the date of transition.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will or may have an effect on the Company's future results and financial position:

- IFRS 7 Financials Instruments: Disclosures

  IFRS 7 Financial Instruments: Disclosures requires disclosure of both gross and net information about financial instruments eligible for offset in the balance sheet and financial instruments subject to master netting arrangements. Concurrent with the amendments to IFRS 7, the IASB also amended IAS 32 "Financial Instruments: Presentation to clarify the existing requirements for offsetting financial instruments in the statements of financial position. The amendments to IAS 32 are effective as of January 1, 2014 and the amendments to IFRS 7 are effective as of January 1, 2013.

- IFRS 9 Financial Instruments

  IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015.

- IFRS 13 Fair Value Measurements

  IFRS 13 Fair Value Measurements defines fair value, requires disclosures about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards. The standard is effective for annual periods beginning on or after January 1, 2013

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will not have an effect on the Company's future results and financial position:

- IAS 12: Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12 (Effective for periods beginning on or after January 1, 2012)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Canadian Imperial Venture Corp. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

i) Rehabilitation Provisions

Rehabilitation provisions have been created based on Canadian Imperial Venture Corp.'s internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

ii) Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

iii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iv) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 11.

5. CASH

Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates.

Expressed in Canadian Dollars

6. HELD-FOR-TRADING INVESTMENT

Held for trading investment consists of an investment in common shares of Shoal Point Energy Ltd. ("SPE"), and therefore has no fixed maturity date or coupon rate. 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 warrants (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 (until February 24, 2012) 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 May 31, 2012, the common shares and warrants were re-measured as $2,600,150 and $185,558 (November 30, 2011 - $2,780,000 and $195,618) respectively, which resulted in a $170,231 gain (November 30, 2011 - $108,088 loss) on fair value.

7. RECLAMATION DEPOSITS

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

Expressed in Canadian Dollars

8. EXPLORATION AND EVALUATION ASSETS

	Mineral exploration and evaluation assets (i) $	**Petroleum and natural gas exploration and evaluation assets (ii) $**
Balance at December 1, 2010	**$ 375,000**	**$ 158,058**
Exploration costs	107,188	2,872,041
Dispositions	-	(2,903,050)
Write-off of unsuccessful exploration expenditure	(482,188)	(127,049)
Balance at November 30, 2011 and May 31, 2012	**$ -**	**$ -**

(i) **Mineral exploration and evaluation assets**
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 11).

Effective November 29, 2011, mineral license 16508M expired. During the first quarter, the other three licenses expired. At November 30, 2011 the Company reviewed the carrying value of its mineral exploration and evaluation assets and recorded an impairment provision of $482,188.

(ii) **Petroleum and natural gas exploration and evaluation assets**
Effective October 25, 2011 the Company sold substantially all of its petroleum and natural gas exploration and evaluation assets interests to SPE. 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 was received in this period. All securities issued in this transaction were subject to a four month hold period, which has ended February 24, 2012. 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 petroleum and natural gas exploration and evaluation assets and recorded, in impairment expense, a provision of $127,049.

Expressed in Canadian Dollars

9. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture $	Computer Equipment $	Total $
Cost			
Balance at December 1, 2010	$ 7,741	$40,921	$ 48,662
Additions	-	8,932	8,932
Disposals	-	-	-
Balance at November 30, 2011	$ 7,741	$ 49,853	$57,594
Additions	2,795	-	2,795
Disposals	-	40,921	40,921
Balance at May 31, 2012	$ 10,536	$ 8,932	$ 19,468
Depreciation and impairment losses			
Balance at December 1, 2010	$ 4,713	$ 38,031	$ 42,744
Depreciation for the year	606	5,333	5,939
Impairment loss	-	2,023	2,023
Disposals	-	-	-
Balance at November 30, 2011	$ 5,319	$ 45,387	$ 50,706
Depreciation for the period	335	2,233	2,568
Impairment loss	-	-	-
Disposals	-	40,921	40,921
Balance at May 31, 2012	$ 5,654	$6,699	$ 12,353
Carrying amounts			
At December 1, 2010	$ 3,023	$ 2,890	$ 5,918
At November 30, 2011	$ 2,422	$ 4,466	$ 6,888
At May 31, 2012	$ 4,882	$ 2,233	$ 7,115

Expressed in Canadian Dollars

10. PROVISIONS

	Rehabilitation $
Balance at December 1, 2010	**$ 5,537**
Disposal on sale	(48,125)
Liabilities incurred	48,125
Balance at November 30, 2011	**$ 5,537**
Liabilities settled	(2,342)
Balance at May 31, 2012	**$ 3,195**

Rehabilitation Provision

Canadian Imperial Venture Corp. makes full provision for the future cost of site rehabilitation on a undiscounted basis due to its short term nature of its exploration and evaluation assets. The rehabilitation provision represents the fair value of rehabilitation costs relating to exploration and evaluation activities, which are expected to be incurred up to 2012.

11. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares.

The following is a summary of changes in common share capital from December 1, 2010 to May 31, 2012:

	Number of Shares	Amount
Common Shares		
Balance at December 1, 2010	**510,588,361**	**$ 12,940,731**
Issue of shares for working interest in Mineral License (i)	**3,000,000**	**270,000**
Warrant extension (ii)	**-**	**(193,763)**
Balance at November 30, 2011	**513,588,361**	**13,016,968**
Warrants		
Balance at December 1, 2010	53,500,000	723,239
Warrant extension (ii)		193,763
Warrants expired (iii)	(2,500,000)	(32,047)
Balance at November 30, 2011	51,000,000	884,955
Less share issue costs		**(68,264)**
Balance at November 30, 2011 and May 31, 2012		**$ 13,833,659**

Expressed in Canadian Dollars

a) Common Shares (continued)

i. 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.

ii. 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.

iii. Warrants expired

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

b) Preferred Shares

The Company is authorized to issue an unlimited number of preference shares.

No preferred shares have been issued since the Company's inception.

c) Contributed Surplus

The following is a summary of changes in contributed surplus from December 1, 2010 to May 31, 2012:

	May 31, 2012	November 30, 2011	December 1, 2010
	$	$	$
Warrants	$ 279,722	$ 279,722	$ 247,675
Share Options (Note 13)	2,660,470	2,652,331	2,086,585
Contributed Surplus	**$ 2,940,192**	**$ 2,932,053**	**$ 2,334,260**

Expressed in Canadian Dollars

d) Share Purchase Warrants

The following is a summary of changes in warrants from December 1, 2010 to May 31, 2012:

	Number of Warrants	Amount
Balance at December 1, 2010	**53,500,000**	**$ 723,239**
Warrant extension	-	193,763
Expired warrants	(2,500,000)	(32,047)
Balance November 30, 2011 and May 31, 2012	**51,000,000**	**$ 884,955**

As at May 31, 2012, the Company had outstanding warrants as follows:

Number of warrants	Exercise price	Expiry
14,000,000	$ 0.10	07/30/2012
5,750,000	$ 0.10	08/23/2012
1,250,000	$ 0.10	09/07/2012
10,500,000	$ 0.10	10/13/2012
11,500,000	$ 0.10	10/29/2012
8,000,000	$ 0.10	11/12/ 2012

The weighted average exercise price of the warrants is $0.10. The revaluation of modified warrants in 2011 were determined using the Black Scholes option pricing model using the following assumptions:

	2011
Dividend yield	**0%**
Expected Volatility	**90% - 95%**
Risk free rate of return	**1.3% - 1.4%**
Weighted average life	1 year

e) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

Expressed in Canadian Dollars

12. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has an rolling Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers 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.

The following is a summary of changes in options from December 1, 2010 to May 31, 2012:

Grant Date	Expiry Date	Exercise Price	Opening Balance	During the Year			Closing Balance	Vested and Exercisable	Unvested
				Granted	Exercised	Forfeited			
04/07/06	04/07/11	$0.15	5,988,753	-	-	(5,988,753)	-	-	-
03/17/10	03/17/11	$0.10	1,000,000	-	-	(1,000,000)	-	-	-
09/11/07	09/11/12	$0.10	8,474,999	-	-	-	8,474,999	8,474,999	-
03/03/08	03/03/13	$0.10	10,000,000	-	-	(900,000)	9,100,000	9,100,000	-
12/08/09	12/08/14	$0.10	17,700,000	-	-	(2,200,000)	15,500,000	15,500,000	-
05/02/11	05/02/16	$0.10	-	9,000,000	-	-	9,000,000	9,000,000	-
06/17/11	06/17/16	$0.10	-	3,900,000	-	-	3,900,000	3,900,000	-
09/30/11	03/31/13	$0.10	-	5,000,000	-	-	5,000,000	3,333,333	1,666,667
			43,163,752	17,900,000	-	(10,088,753)	50,974,999	49,308,332	1,666,667
Weighted Average Exercise Price			$0.11	$0.10	$ -	$0.13	$0.10	$0.10	$0.10

b) Fair Value of Options Issued During the Period

There were no options granted during the period. The weighted average fair value at grant date of options granted during the year ended November 30, 2011 was $0.10 per option.

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees, are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

Expressed in Canadian Dollars

c) **Expenses Arising from Share-based Payment Transactions**

Total expenses arising from share-based payment transactions recognized during the period as part of employee benefit expense were $5,392 (3 months ended May 31, 2011: $2,876).

13. NATURE OF EXPENSES

	Three Months Ended May 31, 2012 $	Three Months Ended May 31, 2011 $
General and administrative expenses include:		
Office and shareholder information	$ 26,824	$ 33,306
Professional and filing fees	47,878	40,100
Promotion and travel	31,136	26,365
Service contracts and wages	97,367	76,590
	$ 203,205	**$ 176,361**

14. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) **Key Management Compensation**

During the period, the Company was charged management fees aggregating $36,000 (2011 - $36,000), included in general and administration expense, to corporations which are controlled by officers and directors of the Company.

b) **Accounts Payable**

Included in accounts payable is $23,444 (2011 - $35,967) to directors of the Company, and parties related to them, for reimbursement of management fees and business expenses.

15. SEGMENTAL REPORTING

The Company is organized into business units based on resource properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

16. LOSS PER COMMON SHARE

Weighted Average Number of Common Shares:

	May 31, 2012	May 31, 2011
Basic weighted average number shares outstanding	**513,588,361**	512,221,694
Net income (loss) for the period	**$ (167,334)**	$ (787,765)
Earnings (loss) per common share (basic and diluted)	**$ (0.0003)**	$ (0.0004)

17. EVENTS AFTER THE REPORTING DATE

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 will 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 to the Little Bear Lake Property (the "Property") of Carina to earn a 55% working interest in the Property. 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 in cash and 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.

CIVC is planning a systematic exploration program to evaluate and develop the gold potential of the property. The program will include: satellite lineament study, line cutting, ground gradient magnetic and VLF surveys, geological mapping, prospecting and diamond drilling. CIVC will also assume Carina's obligations under the original earning agreement on the Little Bear Lake properties where Carina must pay $70,000 on Closing; $150,000 by November 12, 2012; $50,000 on November 2013; and $50,000 on November 2014 for a total of $320,000 over a two year period. These payments can be made in cash and in shares as indicated above.

18. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's financial statements for the year-ending November 30, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was December 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be November 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

OPTIONAL EXEMPTIONS

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

Business Combinations

The Company elected not to retrospectively apply IFRS 3 Business Combinations to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

Share-based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Borrowing Costs

The Company has elected to apply the transitional provisions of IAS 23 Borrowing Costs which permits prospective capitalization of borrowing costs on qualifying assets from the Transition Date.

MANDATORY EXCEPTIONS

Derecognition of Financial Assets and Liabilities

The Company has applied the derecognition requirements in IAS 39 Financial Instruments: Recognition and Measurement prospectively from the Transition Date. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the Transition Date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39.

Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

RECONCILIATIONS OF PRE-CHANGEOVER CANADIAN GAAP EQUITY AND COMPREHENSIVE INCOME TO IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statements of financial position and statements of comprehensive income as shown below have resulted in reclassifications of various amounts on the statements of cash flows, however as there have been no material adjustments to the net cash flows, no reconciliation of the statement of cash flows has been prepared.

Expressed in Canadian Dollars

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 1, 2010 – TRANSITION DATE

	Sub note	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Assets				
Current assets				
Cash		$ 1,068,812	-	$ 1,068,812
Accounts receivable		64,709	-	64,709
Reclamation deposit		54,987	-	54,987
Prepaid expenses and deposits		42,736	-	42,736
Total current assets		**$ 1,231,244**	**$ -**	**$ 1,231,244**
Non-current assets				
Petroleum and natural gas exploration and evaluation assets		$ 158,058	-	$ 158,058
Mineral exploration and evaluation assets		375,000	-	375,000
Property, plant and equipment		5,918	-	5,918
Total non-current assets		**$ 538,976**	**$ -**	**$ 538,976**
Total assets		**$ 1,770,220**	**$ -**	**$ 1,770,220**
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables		$ 455,506	-	$ 455,506
Other liabilities		5,537	-	5,537
Total current liabilities		**$ 461,043**	**$ -**	**$ 461,043**
Total liabilities		**$ 461,043**	**$ -**	**$ 461,043**
Shareholders' equity				
Share capital	(ii)	$ 13,791,024	$ 75,388	$ 13,866,412
Contributed surplus		2,334,260	-	2,334,260
Accumulated deficit	(ii)	(14,816,107)	(75,388)	(14,891,495)
Total shareholders' equity		**$ 1,309,177**	**$ -**	**$ 1,309,177**
Total liabilities and shareholders' equity		**$ 1,770,220**	**$ -**	**$ 1,770,220**

Expressed in Canadian Dollars

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT MAY 31, 2011

	Sub note	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Assets				
Current assets				
Cash		$ 270,769	-	$ 270,769
Accounts receivable		45,077	-	45,077
Reclamation deposit		55,293	-	55,293
Prepaid expenses and deposits		14,874	-	14,874
Total current assets		**$ 386,013**	**$ -**	**$ 386,013**
Non-current assets				
Petroleum and natural gas exploration and evaluation assets		$ 2,293,181	-	$ 2,293,181
Mineral exploration and evaluation assets		480,000	-	480,000
Property, plant and equipment		7,650	-	7,650
Total non-current assets		**$2,780,831**	**$ -**	**$2,780,831**
Total assets		**$ 3,166,844**	**$ -**	**$ 3,166,844**
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables		$2,224,471	-	$2,224,471
Other liabilities		5,537	-	5,537
Total current liabilities		**$ 2,230,008**	**$ -**	**$ 2,230,008**
Total liabilities		**$ 2,230,008**	**$ -**	**$ 2,230,008**
Shareholders' equity				
Share capital		$ 13,790,318	$ -	$ 13,790,318
Contributed surplus		2,750,390	-	2,750,390
Accumulated deficit		(15,603,872)	-	(15,603,872)
Total shareholders' equity		**$ 936,836**	**$ -**	**$ 936,836**
Total liabilities and shareholders’ equity		**$ 3,166,844**	**$ -**	**$ 3,166,844**

Expressed in Canadian Dollars

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT NOVEMBER 30, 2011

	Sub note	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Assets				
Current assets				
Cash		$ 144,789	-	$ 144,789
Accounts receivable		229,506	-	229,506
Reclamation deposit		55,568	-	55,568
Prepaid expenses and deposits		19,664	-	19,664
Held for trading investment		2,975,618	-	2,975,618
Total current assets		**$ 3,425,145**	**$ -**	**$ 3,425,145**
Non-current assets				
Petroleum and natural gas exploration and evaluation assets		$ -	-	$ -
Mineral exploration and evaluation assets		-	-	-
Property, plant and equipment		6,888	-	6,888
Total non-current assets		**$ 6,888**	**$ -**	**$ 6,888**
Total assets		**$ 3,432,033**	**$ -**	**$ 3,432,033**
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables		$ 341,120	-	$ 341,120
Other liabilities		5,537	-	5,537
Total current liabilities		**$ 346,657**	**$ -**	**$ 346,657**
Total liabilities		**$ 346,657**	**$ -**	**$ 346,657**
Shareholders' equity				
Share capital		$ 13,758,271	$ -	$ 13,758,271
Contributed surplus	(i)	2,927,612	4,441	2,932,053
Accumulated deficit	(i)	(13,600,507)	(4,441)	(13,604,948)
Total shareholders' equity		**$ 3,085,376**	**$ -**	**$ 3,085,376**
Total liabilities and shareholders' equity		**$ 3,432,033**	**$ -**	**$ 3,432,033**

Expressed in Canadian Dollars

RECONCILIATION OF THE STATEMENT OF COMPREHENSIVE LOSS/INCOME FOR THE SIX MONTHS ENDED MAY 31, 2011

	Sub note	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Interest income		$ 306	$ -	$ 306
Depreciation (Note 9)		1,229	-	1,229
Stock based compensation expense		416,130	-	416,130
Finance expense		4,790	-	4,790
General and administrative expenses (Note 14)		365,922	-	365,922
Total expenses		$ 788,071	$ -	$ 788,071
Net loss and comprehensive loss for the period		$ (787,765)	$ -	$ (787,765)
Loss per common share, basic and diluted		$ (0.002)	$ -	$ (0.002)

Expressed in Canadian Dollars

RECONCILIATION OF THE STATEMENT OF COMPREHENSIVE LOSS/INCOME FOR THE YEAR ENDED NOVEMBER 30, 2011

	Sub note	Canadian GAAP $	Effect of transition to IFRS $	IFRS $
Interest and other income		**$ 12,504**	$ -	**$ 12,504**
Fair value loss on held for trading investment		**(108,088)**	-	**(108,088)**
Gain on sale of petroleum and natural gas assets		**3,270,764**	-	**3,270,764**
Total income		**$3,175,180**	**-**	**$3,175,180**
Depreciation		**5,939**	-	**5,939**
Stock based compensation expense	(i)	**561,305**	4,441	**565,746**
Finance expense		**5,018**	**-**	**5,018**
Impairment		**611,260**	**-**	**611,260**
Other expenses		**776,058**	**-**	**776,058**
Total expenses		**$ 1,959,580**	**$ -**	**$ 1,964,021**
Net income and comprehensive income for the year		**$1,215,600**	**$ (4,441)**	**$ 1,211,159**
Loss per common share, basic and diluted		**$ Nil**	**$ -**	**$ Nil**

EXPLANATIONS FOR THE ADJUSTMENTS ARE AS FOLLOWS:

i) Share-based Payments

IFRS 2 is effective for the Company as at December 1, 2010 and is applicable to:

- New grants of stock-based payments subsequent to December 1, 2010;
- Equity-settled stock-based compensation awards granted subsequent to November 7, 2002 and that vest after December 1, 2010; and
- Awards that are modified on or after December 1, 2010, even if the original grant of the award was not accounted for in accordance with IFRS 2.

Pre-changeover Canadian GAAP allows the Company to calculate the fair value of the stock-based compensation on all awards granted and recognizes the expense from the date of grant over the vesting period using the graded vesting methodology. The Company determines the fair value of stock options granted using the Black-Scholes option pricing model.

IFRS 2 requires each tranche in an award with graded vesting features to be treated as a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

As a result contributed surplus was increased by $ nil at December 1, 2010 (November 30, 2011 - $4,441).

Further under pre-changeover Canadian GAAP, the Company previously capitalized exploration expenditures settled in the Company's shares, including any related deferred tax. These temporary differences do not arise as a result of business combinations and affect neither accounting nor taxable profit on initial recognition. As a result, they meet the criteria outlined in IAS 12 Income Taxes, to exempt the Company from recognizing deferred tax on initial recognition (the "initial recognition exemption").

ii) Flow-through Shares

Under pre-changeover Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issuance of flow-through shares, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

As a result, for issuances of flow-through shares for which expenditures have been incurred, share capital was increased by $75,388 at the date of transition (November 30, 2011 - $ nil) and deficit were decreased by $75,388 (November 30, 2011 - $nil). The impact on net income for the six months-ended May 31, 2012 was $ nil (six months-ended May 31, 2011 - $nil; year-ended November 30, 2011 - $nil).