

CANADIAN IMPERIAL VENTURE CORP.
Consolidated Financial Statements
For the years ended November 30, 2010 and 2009

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Auditors' Report

To the Shareholders of Canadian Imperial Venture Corp.

We have audited the consolidated balance sheets of Canadian Imperial Venture Corp. as at November 30, 2010 and 2009, and the consolidated statements of loss, comprehensive loss and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2010 and 2009, 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

Calgary, Alberta
March 28, 2011

CANADIAN IMPERIAL VENTURE CORP.**Consolidated Balance Sheets**

As at November 30	2010	2009
	\$	\$
ASSETS		
CURRENT		
Cash	1,068,812	685,084
Restricted cash (Note 13(d))	-	50,000
Accounts receivable	64,709	58,259
Reclamation deposits	54,987	-
Prepaid expenses	42,736	84,743
	1,231,244	878,086
PROPERTY AND EQUIPMENT (Note 6)	5,918	7,914
RECLAMATION DEPOSITS	-	27,317
PREPAID EXPENSES	-	25,000
PETROLEUM AND NATURAL GAS PROPERTIES (Note 4)	158,058	-
MINERAL EXPLORATION PROPERTIES (Note 5)	375,000	-
	1,770,220	938,317
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	455,506	460,028
Asset retirement obligation (Note 7)	5,537	33,110
	461,043	493,138
SHAREHOLDERS' EQUITY		
Equity instruments (Note 8(b))	13,791,024	12,117,122
Contributed surplus (Note 8(e))	2,334,260	1,713,417
Deficit	(14,816,107)	(13,385,360)
	1,309,177	445,179
	1,770,220	938,317

GOING CONCERN ASSUMPTION (Note 2)**COMMITMENTS AND CONTINGENCIES (Note 13)****SUBSEQUENT EVENTS (Note 14)**

APPROVED BY THE BOARD

"Gerard Edwards" Director"Robert Smiley" Director

CANADIAN IMPERIAL VENTURE CORP.
Consolidated Statements of Loss, Comprehensive Loss and Deficit

Years ended November 30	2010	2009
	\$	\$
REVENUE		
Interest	321	9,948
Petroleum and natural gas revenue	7,656	96,907
Licence	-	8,324
	<u>7,977</u>	<u>115,179</u>
EXPENSES		
General and administrative (Note 10)	954,528	729,927
Oil and gas production costs	4,581	76,805
Stock-based compensation (Note 8(d))	620,843	-
Interest and bank charges	1,382	864
Petroleum and natural gas properties impairment (Note 4)	-	644,515
Loss (gain) on sale of petroleum and natural gas properties (Note 4)	(10,500)	1,684,930
Provision (recovery) for doubtful accounts	(58,718)	87,537
Depletion and amortization (Note 6)	1,996	55,038
Accretion of asset retirement obligation (Note 7)	-	432
	<u>1,514,112</u>	<u>3,280,048</u>
NET LOSS BEFORE INCOME TAXES	(1,506,135)	(3,164,869)
INCOME TAXES		
Future income tax recovery (Note 9)	75,388	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	(1,430,747)	(3,164,869)
DEFICIT, BEGINNING OF YEAR	<u>(13,385,360)</u>	<u>(10,220,491)</u>
DEFICIT, END OF YEAR	<u>(14,816,107)</u>	<u>(13,385,360)</u>
Loss per share - basic and diluted	(0.003)	(0.007)
Weighted average number of common shares		
outstanding - basic and diluted	<u>483,371,923</u>	<u>438,798,635</u>

CANADIAN IMPERIAL VENTURE CORP.
Consolidated Statements of Cash Flows

Years ended November 30	2010	2009
Cash provided by (used for):	\$	\$
OPERATING ACTIVITIES		
Net Loss	(1,430,747)	(3,164,869)
Items not affecting cash:		
Depletion and amortization	1,996	55,038
Accretion of asset retirement obligation	-	432
Bad debt recovery	(58,718)	-
Stock-based compensation	620,843	-
Petroleum and natural gas properties impairment	-	644,515
Loss (gain) on sale of petroleum and natural gas properties	(10,500)	1,684,930
Future income tax recovery	(75,388)	-
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	(11,257)	47,506
Decrease in prepaid expenses	7,007	29,765
Increase (decrease) in accounts payable and accrued liabilities	(109,522)	118,774
	<u>(1,066,286)</u>	<u>(583,909)</u>
INVESTING ACTIVITIES		
Changes in non-cash working capital:		
Increase (decrease) in accounts payable and accrued liabilities	105,000	(1,047,926)
Decrease in property deposit	-	1,000,000
Decrease in temporary investments	-	142,838
Settlement of asset retirement obligations	(17,073)	(8,772)
Petroleum and natural gas property additions	(34,533)	(272,739)
Mineral exploration property additions	(105,000)	-
Decrease (increase) in reclamation deposits	(27,670)	54,708
Proceeds from the sale of petroleum and natural gas properties	-	160,405
	<u>(79,276)</u>	<u>28,514</u>
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,500,000	1,075,000
Share issuance costs	(20,710)	(27,829)
	<u>1,479,290</u>	<u>1,047,171</u>
INCREASE IN CASH AND CASH EQUIVALENTS	333,728	491,776
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	735,084	243,308
CASH AND CASH EQUIVALENTS, END OF YEAR	1,068,812	735,084
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	1,068,812	685,084
Restricted cash	-	50,000
	<u>1,068,812</u>	<u>735,084</u>

SUPPLEMENT CASH FLOW INFORMATION (Note 15)

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

1. NATURE OF OPERATIONS

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

The Company is engaged in the exploration for and production of petroleum and natural gas and mineral properties. The main area of interest is in Atlantic Canada. In 2009, the Company sold all of its interest in producing wells located in Alberta.

2. GOING CONCERN ASSUMPTION

These consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the normal course of business.

At November 30, 2010, the Company had a net loss of \$1,430,747 (2009 - \$3,164,869), and used cash in operations of \$1,066,286 (2009 - \$583,909) and has \$123,188 (2009 - \$235,000) unexpended flow through commitments (Note 13). The Company is in the process of exploring its Atlantic Canada petroleum, natural gas and mineral properties and has not yet determined whether these properties contain economically recoverable reserves. The ability of the Company to continue its exploration and development activities is dependent upon finding and developing economically recoverable reserves, obtaining necessary financing or partners to share in the exploration and development of the properties, and future profitable production from the properties or proceeds from disposition. There is no assurance the Company will be successful in these endeavors.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported loss and comprehensive loss and the balance sheet classifications used. Such adjustments could be significant.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes. The significant judgments and estimates included in these consolidated financial statements relate to the recoverability of accounts receivable, petroleum and natural gas properties, mineral exploration properties, the timing and amount of future cash flows to abandon and reclaim petroleum and natural gas and mineral properties and the measurement of stock based compensation. Actual results could differ from those estimates. These consolidated 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:

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Principles of consolidation

The consolidated financial statements include the accounts of the Company and those of its wholly-owned subsidiaries ENEGl Inc. and USG Energy Corp. after the elimination of inter-entity transactions and balances.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, and restricted cash with maturities from the date of inception of three months or less.

Joint venture interests

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

Reclamation deposits

The Company makes deposits on its various petroleum and natural gas properties which are refundable when and if the Company incurs sufficient exploration expenditures within a specified time frame and file a related report with the appropriate government authorities. Should the Company not incur the expenditures in the applicable timeframe, the deposit becomes non-refundable and is added to the petroleum and natural gas properties.

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.

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
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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.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Petroleum and natural gas properties (continued)

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.

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 or determination of impairment of value.

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 consolidated statement of loss, comprehensive 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.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition

Interest revenue is recognized on a pro-rata basis over the term of the related investment when collection is reasonably assured.

Revenues from petroleum and natural gas operations are recognized when persuasive evidence of a sales agreement exists, the title and risk is transferred to the customer, collection is reasonably assured, and the price is reasonably determinable. Revenues from petroleum and natural gas production from properties in which the Company has an interest with other joint venture partners are recognized on the basis of the Company's net working interest.

Revenues from annual fees for intellectual property are recognized on a pro-rata basis over the term of the related licence.

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.

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.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

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 period. 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 as 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 at fair value on inception and then subsequently carried at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive loss. Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in the profit or loss for the year.

The Company has classified its financial instruments as follows:

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Restricted cash and temporary investments	Held-for-trading

Comprehensive loss

Comprehensive loss is the change in equity of the Company during the period as a result of transactions and other events and circumstances from non-owner sources. There were no other comprehensive loss items during the years ended November 30, 2010 and 2009; accordingly, comprehensive loss is equal to net loss.

Future accounting policies

International Financial Reporting Standards

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

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Future accounting policies - continued

Business combinations

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

Non-controlling interest

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

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

4. PETROLEUM AND NATURAL GAS PROPERTIES

	Balance, beginning of year	Additions	Accumulated depletion and impairment	Balance, November 30, 2010	Balance November 30, 2009
	\$	\$	\$	\$	\$
Petroleum and natural gas exploration and development costs	-	158,058	-	158,058	-

Amounts not subject to depletion and amortization are \$158,058 (2009 – \$nil). During the year the Company capitalized \$75,200 (2009 - \$60,000) of general and administrative costs relating to geological consulting fees. At November 30, 2010 the Company has reviewed the carrying value of its oil and natural gas properties and recorded an impairment provision of \$nil (2009 - \$644,515).

During the year, the Company sold a well for a nominal amount which resulted in a gain on sale of \$10,500 due to the transfer of the asset retirement obligations associated with the well. The net book value of the well was \$nil. During the prior year, the Company sold all of its Alberta producing properties to arms length parties and did not renew licences on the undeveloped Alberta acreage. These disposals resulted in losses of \$1,684,930.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

5. MINERAL EXPLORATION PROPERTIES

	Balance, beginning of year	Additions	Accumulated depletion and impairment	Balance, November 30, 2010	Balance November 30, 2009
	\$	\$	\$	\$	\$
Mineral exploration properties	-	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 \$375,000 of related costs, \$270,000 of which related to shares issuable (Note 13(f)).

6. PROPERTY AND EQUIPMENT

	November 30, 2010			November 30, 2009		
	Cost	Accumulated	Net Book	Cost	Accumulated	Net Book
		Amortization	Value		Amortization	Value
	\$	\$	\$	\$	\$	\$
Office furniture and equipment	48,662	42,744	5,918	48,662	40,748	7,914

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, 2010	November 30, 2009
	\$	\$
Balance, beginning of year	33,110	153,689
Asset retirement obligation disposal on sale (Note 4)	(10,500)	(112,239)
Liabilities settled	(17,073)	(8,772)
Accretion expense	-	432
Balance, end of year	5,537	33,110

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

7. ASSET RETIREMENT OBLIGATION - continued

The undiscounted amount of cash flows required, over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation and expected timing of cash outflows, is estimated as \$5,537 (2009 - \$33,110) as the work will be completed before November 30, 2011.

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, 2010		November 30, 2009	
	Number	\$	Number	\$
Equity instruments issued				
Common Shares				
Balance, beginning of year	480,588,361	11,971,873	421,838,361	10,906,923
Issued during the year:				
Private placements (i)	30,000,000	968,858	53,750,000	914,950
Tax effect of flow through expenditure renouncements (ii)	-	(75,388)	-	-
Issued for Gross Overriding Royalty (GOR) (iv)	-	-	5,000,000	150,000
Balance, end of year	510,588,361	12,865,343	480,588,361	11,971,873
Warrants				
Balance, beginning of year	23,500,000	192,097	1,640,833	147,675
Warrants issued in private placement (i)	30,000,000	531,142	21,000,000	160,050
Warrants issued for GOR (iv)	-	-	2,500,000	32,047
Warrants expired	-	-	(1,640,833)	(147,675)
Balance, end of year	53,500,000	723,239	23,500,000	192,097
Share issuance costs		(67,558)		(46,848)
		13,521,024		12,177,122
Equity instruments issuable				
Common Shares				
Issuable for working interest in Mineral License (iii)	3,000,000	270,000	-	-
Balance, end of year		13,791,024		12,177,122

No preferred shares have been issued.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

8. EQUITY INSTRUMENTS - continued

i. Private placement financing

During the 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 share purchase warrant with a total fair value of \$0.018 per warrant or \$531,142 in aggregate. One warrant will entitle the holder to buy an additional 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 the prior year the Company completed a private placement with three closings whereby a total of 42,000,000 Units at a price of \$0.02 and 11,750,000 Flow-through shares at a price of \$0.02 were issued for gross proceeds of \$1,075,000. Each unit was comprised of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant with a total fair value of \$0.0077 per warrant, or \$160,050 in aggregate. Each whole warrant will entitle the holder to purchase one common share at \$0.05 per share during the first year and at a price of \$0.10 per share during the second year of the warrant. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the assumptions described in Note 8(c). A total of 6,750,000 of the 11,500,000 units in the second closing were purchased by related parties.

In accordance with the terms of the 2009 private placement of the flow-through shares, the Company has to renounce for income tax purposes, exploration expenditures in the amount of \$235,000. The Company spent \$111,812 in the current year and had an unspent flow-through commitment of \$123,188 (2009 - \$235,000). This amount has been spent subsequent to year end (Note 13(e)).

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.

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 5). On November 29, 2010, the securities regulator approved the share issuance. Subsequent to year end, the Company issued the 3,000,000 common shares with a fair value of \$270,000.

iv. Acquisition of gross overriding royalty

In the prior year, the Company entered into an agreement with an arm's length company to purchase a 1.5% Gross Overriding Royalty on two exploration permits on the Great Northern Peninsula of Western Newfoundland, in the Parson's Pond area. The purchase was made through the issuance of 5,000,000 units. Each unit is comprised of one common share and one-half of one non-transferable share purchase warrant with a fair value of \$0.0128 per share, or \$32,047 in aggregate. Each whole warrant will entitle the holder to purchase one common share at \$0.10 per share for a two year period. The fair value of the warrants issued was estimated using the Black-Scholes option pricing model with the assumptions described in Note 8(c).

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
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8. EQUITY INSTRUMENTS - continued

c) *Warrants*

The following table summarizes the warrants outstanding and exercisable at November 30, 2010:

	November 30, 2010		November 30, 2009	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance, beginning of the year	23,500,000	0.08	1,640,833	0.175
Issued	30,000,000	0.10	23,500,000	0.08
Expired	-	-	(1,640,833)	(0.175)
Balance, end of year	53,500,000	0.09	23,500,000	0.08

Details of warrants outstanding at November 30, 2010 are as follows:

Number	Exercise Price (First year / Second year)	Expiry Date
	\$	
14,000,000	0.05/0.10	July 30, 2011
5,750,000	0.05/0.10	August 23, 2011
1,250,000	0.05/0.10	September 7, 2011
2,500,000	0.10	October 4, 2011
10,500,000	0.10	October 13, 2012
11,500,000	0.10	October 29, 2012
8,000,000	0.10	November 12, 2012
<u>53,500,000</u>		

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8. EQUITY INSTRUMENTS - continued

The weighted average exercise price of the warrants is \$0.09 (2009 - \$0.08). The fair value of the warrants issued in 2010 was determined using the Black-Scholes option pricing model using the following assumptions:

	2010	2009
Dividend yield	0%	0%
Expected volatility	126% - 130%	125% - 130%
Risk free rate of return	1.39% - 1.58%	0.56% - 1.35%
Weighted average life	2 years	1 - 2 years
Weighted average fair value of warrants granted	\$0.03 - \$0.045	\$0.0077 - \$0.0128

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:

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

On December 14, 2009, the Company issued 17,700,000 stock options at an exercise price of \$0.10 per share. The options expire on December 14, 2014.

On March 17, 2010, the Company issued 1,000,000 stock options at an exercise price of \$0.10 per share. The options expire on March 17, 2012.

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8. EQUITY INSTRUMENTS – continued

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

Dividend yield	0%
Expected volatility	120.1 - 138.93%
Risk-free interest rate	2.47%
Weighted-average expected life	2.0 - 5.0 years
Fair value of option issued	\$0.036 - \$0.038

Using the fair value method, the compensation expense is measured at the date the options were granted and recognized over the vesting period. Upon exercise, the proceeds of the options are credited to capital stock at the option price. Therefore, an exercise of options below the current market price has a dilutive effect on capital stock and shareholders' equity. Under the fair value method, compensation expense for the year is \$620,843 (2009 - \$nil).

	November 30, 2010		November 30, 2009	
	Number of Options	Weighted- Average Option Price	Number of Options	Weighted- Average Option Price
		\$		\$
Balance, beginning of the year	24,463,752	0.11	30,238,752	0.11
Issued	18,700,000	0.10	-	-
Expired	-	-	(4,775,000)	0.10
Forfeited	-	-	(1,000,000)	-
Balance, end of year	43,163,752	0.11	24,463,752	0.11

Details of stock options outstanding at November 30, 2010 are as follows:

Number of Options	Exercise Price	Expiry Date
	\$	
5,988,753	0.15	April 7, 2011
1,000,000	0.10	March 17, 2012
8,474,999	0.10	September 12, 2012
10,000,000	0.10	March 3, 2013
17,700,000	0.10	December 14, 2014
43,163,752		

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8. EQUITY INSTRUMENTS - continued

Options exercisable at November 30, 2010 were 43,163,752 (2009 - 24,463,752), with a weighted average exercisable price of \$0.11 (2009 - \$0.11).

e) *Contributed Surplus*

The balance is represented by the following:

	November 30, 2010	November 30, 2009
	\$	\$
Balance, beginning of the year	1,713,417	1,565,742
Warrants expired	-	147,675
Stock based compensation expense	620,843	-
Balance, end of year	2,334,260	1,713,417

9. INCOME TAXES

At November 30, 2010, the Company has accumulated development and exploration expenditures of approximately \$22,743,000 (2009 - \$22,315,000) that are available to offset taxable income for future years at various rates.

The components of the future income tax asset at November 30, 2010 and 2009 are as follows:

	November 30, 2010	November 30, 2009
	\$	\$
Nature of temporary differences		
Property and equipment	6,599,812	6,882,753
Share issue costs and finance fees	10,321	8,475
Tax loss carry forward	1,994,808	1,796,349
	8,604,941	8,687,577
Less: Valuation allowance	8,604,941	8,687,577
Future income tax liability	-	-

CANADIAN IMPERIAL VENTURE CORP.
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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 32.04% (2009 - 30.56%) to the loss before income taxes as follows:

	November 30, 2010	November 30, 2009
	\$	\$
Expected tax recovery	(482,610)	(966,861)
Stock based compensation costs	199,187	-
Other	15,473	54,488
Change in valuation allowance	(82,636)	673,374
Effect of change in rates	275,198	238,999
Future tax recovery	(75,388)	-

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

\$	Year of Expiry
608,547	2014
2,644,045	2015
513,297	2026
1,041,603	2027
514,015	2028
534,928	2029
949,705	2030
<u>6,806,140</u>	

10. RELATED PARTY TRANSACTIONS

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

- a) During the year the Company was charged management fees aggregating \$264,000 (2009 - \$264,000), included in general and administration expense, to corporations which are controlled by officers and directors of the Company.
- b) During the year the Company recognized consulting fees of \$nil (2009 - \$20,000) included in general and administrative charged by a director of Shoal Point Energy, a Company determined to be related due to common management.
- c) Included in accounts payable is \$38,456 (2009 - \$78,187) 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.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

11. FINANCIAL INSTRUMENTS

As disclosed in Note 3, the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to commodity price risk, credit risk, liquidity risk, market risk and interest rate risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

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

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

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

a) **Commodity price risk**

Commodity price risk is the risk that the fair value 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.

b) **Credit risk**

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

c) **Liquidity risk**

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

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

As disclosed in Note 2, the Company is subject to liquidity risk given its accumulated deficit. If the Company is unable to obtain adequate additional financing by raising funds through private placements or through option agreement farm-outs, the Company will be required to curtail operations, exploration and development activities. As at November 30, 2010 and 2009, the Company's financial liabilities were comprised of accounts payable and accrued liabilities which have either contractual or expected maturities of less than one year.

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
November 30, 2010 and 2009

11. FINANCIAL INSTRUMENTS - continued

- d) Market risk
The fair values of financial instruments consisting of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.
- e) Interest rate risk
The Company's cash and cash equivalents are invested in short-term deposit certificates issued by Canadian Chartered banks and a Canadian financial institution. The Company has no debt. The Company believes its interest rate risk is not significant

12. CAPITAL MANAGEMENT

The capital structure of the Company consists of shareholder's equity comprising of equity instruments, contributed surplus and deficit.

The Company's objective when managing capital is to ensure it maintains adequate capital to support the planned exploration of its existing properties and to invest the capital in low risk liquid investments with chartered banks while in the process of conducting its exploration work. There have been no changes to these objectives during the year.

The Company is not subject to externally imposed capital requirements.

13. COMMITMENTS AND CONTINGENCIES

- a) Under a management agreement with companies controlled by an Officer and Director of the Company, the Company is committed to the payment of management fees of \$10,000 and \$12,000 per month respectively until February 2011.
- b) Under a rental agreement with a third party, the Company is committed to the payment of a monthly rental fee of \$2,774 per month until February 28, 2011 and increasing to \$6,888 per month until April 15, 2011.
- c) On November 18, 2009, CIVC entered into a restructuring agreement whereby CIVC Creditor Corp., an arm's length party, released CIVC of all future commitments to it under to the terms of a previous purchase agreement in exchange for a cash payment of \$57,750, the grant of a 1.38% gross overriding royalty on the shallow rights held in EL 1070 and the reassignment of the Company's right to recover a \$1,500,000 payment to CIVC Creditor Corp.
- d) In the prior year, the Canada Revenue Agency ("CRA") informed the Company that it will be performing a non-resident tax audit on ENEGI Inc, a wholly owned subsidiary of the Company for the period from January 1, 2005 to November 30, 2007. ENEGI Inc was acquired by the Company on July 7, 2006. At November 30, 2009, the Company deposited \$50,000 with an escrow agent for the liability to CRA. The amount in escrow was released to the CRA in the current year reducing the liability to the CRA. The Company has since received an estimate of the amount due and as at November 30, 2010, \$41,173 is remaining in accounts payable.
- e) As of November 30, 2010, the amount of flow-through expenditures remaining to be expended is \$123,188 (Note 8(b)).

CANADIAN IMPERIAL VENTURE CORP.
Notes to the Consolidated Financial Statements
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13. COMMITMENTS AND CONTINGENCIES - continued

- f) 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. By agreement CIVC had to issue 3,000,000 common shares (Note 8(b)(ii)), commit to spending a minimum of \$200,000 on the property by December 31, 2010 and grant a 2% Net Smelter Royalty on the related interest. The Company spent \$105,000 (Note 5) of the required commitment by November 30, 2010 with the remaining spent before December 31, 2010 and issued the shares subsequent to year end.
- g) On August 11, 2010, the Company entered into an agreement with Shoal Point Energy and Dragon Lance Management Company to finance the drilling of well 3K-39 which commenced after year end. Under the terms of the agreement, the Company committed to funding 19.25% of the \$1M well deposit in the event that the well was not abandoned within the first 60 days of obtaining the Significant Discovery License ("SDL"); funding 19.25% of the cost of the SDL in excess of \$1M; and funding 19.25% of costs associated with the test well in excess of \$4.5M. Subsequent to year end, the Dragon Lance Management Company was replaced with Fire Horse Energy Ltd as the farmee; however commitments for the Company remain unchanged.

14. SUBSEQUENT EVENTS

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

- (a) On February 27, 2011, the Company entered into a consulting agreement for investor relation services. Under this agreement, the Company will pay \$2,500 per month for the first 6 months and then conduct a review. The Company will also allocate 5,000,000 stock options at a price of \$0.10 (2,500,000 when the TSX.V approves the agreement and 2,500,000 following a favourable review at the end of 6 months).
- (b) The Company has entered into a new long term rental agreement beginning April 15, 2011 for a term of two years, with monthly rent payments of \$4,500.
- (c) On December 29, 2010, the Company received earning acknowledgment for its 40% working interest in the two mineral licenses per the agreement dated October 1, 2010 (Note 5).

15. SUPPLEMENTAL CASH FLOW INFORMATION

	November 30, 2010	November 30, 2009
	\$	\$
Addition to mineral properties on issue of equity instruments	270,000	182,047
Proceeds on disposition of petroleum and natural gas properties used to offset accounts payable	-	59,595
Prepaid expenses capitalized to petroleum and natural gas properties	75,200	60,000
Recovery of bad debt for petroleum and natural gas properties	63,525	-

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16. SEGMENTED INFORMATION

The Company has petroleum and natural gas exploration and mineral property exploration and development segments. The segments are organized based on the nature of the related products that are being explored for and developed.

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	-	-	-	-

November 30, 2009

	Petroleum and Natural Gas	Mineral Exploration	Corporate	Total
	\$	\$	\$	\$
Petroleum and natural gas revenue	105,231	-	-	105,231
Interest revenue	-	-	9,948	9,948
Production costs	76,805	-	-	76,805
Depletion and amortization expense	52,754	-	2,716	55,470
Property impairment	644,515	-	-	644,515
Loss on sale of property	1,684,930	-	-	1,684,930
Loss and comprehensive loss	(2,353,773)	-	(811,096)	(3,164,869)
Property and equipment	-	-	7,914	7,914
Capital expenditures	272,739	-	-	272,739
Non-cash acquisition of property	242,047	-	-	242,047
Non-cash proceeds on disposition of property	59,595	-	-	59,595

The accounting policies of the segments are the same as those described in the significant accounting policies (Note 3). There are no inter-segment transactions.