

**EARLY WARNING REPORT UNDER
NATIONAL INSTRUMENT 62 - 103
ALTERNATIVE MONTHLY REPORTING SYSTEM**

ALTERNATIVE REPORTER: MACKENZIE FINANCIAL CORPORATION
180 Queen Street West
Toronto, Ontario
M5V 3K1

REPORTING ISSUER: Hawkstone Energy Corporation

REPORT FOR END OF: October 2011

REPORT OF SHARE ACTIVITY:

Mackenzie Financial Corporation (“Mackenzie”) reports that as a result of the expiration of purchase warrants of Hawkstone Energy Corporation (“Hawkstone Energy”), owned by one or more of its mutual fund and private client managed accounts, the aggregate number of common shares on a flow through basis of Hawkstone Energy held by all of Mackenzie’s managed accounts on October 31, 2011 was 19,845,000 common shares, representing approximately 11.4% of all outstanding common shares on a flow through basis. Mackenzie holds no related financial instruments.

CHANGE FROM PREVIOUS REPORT:

Mackenzie’s previous report dated June 10, 2011, reported holdings of 32,345,000 common shares of Hawkstone Energy, representing approximately 18.1% of all the outstanding common shares on a flow through basis on behalf of Mackenzie’s mutual fund and private client managed accounts as at May 31, 2011. Since June 1, 2011, 12,500,000 purchase warrants expired, representing a decrease of 6.7% in the total outstanding common shares on a flow through basis within Mackenzie’s mutual fund and private client managed accounts.

BENEFICIAL OWNERSHIP, CONTROL OR DIRECTION:

Mackenzie specifically disclaims any beneficial ownership of the reported common shares and purchase warrants, but as investment manager it maintains exclusive power to exercise investment control or direction over such common shares and purchase warrants for its managed accounts as the beneficial owners.

PURPOSE OF THE REPORT:

The common shares and purchase warrants were acquired in the ordinary course of business, for investment purposes only and not for the purpose of exercising control or direction over Hawkstone Energy. Mackenzie managed accounts may from time to time acquire additional common shares and purchase warrants, dispose of some or all of the existing or additional common shares and purchase warrants or may continue to hold the common shares and purchase warrants.

RELIANCE ON EXEMPTION:

This report is issued under the Alternative Monthly Reporting System described in National Instrument 62 - 103. Neither Mackenzie nor any of its managed accounts presently intend to:

- a) make a formal take-over bid for any common shares of Hawkstone Energy;
- b) propose a transaction that would constitute a take-over bid in reliance on an exemption in the Securities Act (Ontario); or
- c) propose a reorganization, amalgamation, merger, arrangement or similar business combination with Hawkstone Energy which would result in Mackenzie's managed accounts controlling the company, alone or with others.

CERTIFICATION:

To the best of its knowledge:

- a) Mackenzie and its managed accounts do not in the ordinary course of business receive material facts or changes about Hawkstone Energy which have not been publicly disclosed;
- b) Mackenzie is eligible to file this Alternative Monthly Reporting System report pursuant to the National Instrument;
- c) Mackenzie is not a joint actor with anyone else in connection with this report; and
- d) Mackenzie and its managed accounts have not entered into any agreements with Hawkstone Energy in connection with the expiration of the purchase warrants.

CONTACT PERSON:

For further information, contact: Bonnie Thich
Telephone: (416) 922-5322, extension 4773

DATE AND SIGNATURE:

This report is dated November 9, 2011 and is signed by an authorized officer of Mackenzie.

MACKENZIE FINANCIAL CORPORATION

“D. Lynn Vickers”

D. Lynn Vickers
Vice-President, Chief Compliance Officer