Management's Discussion & Analysis

Second Quarter, 2012

June 30, 2012

3MV ENERGY

August 27 2012

*The following Management's Discussion and Analysis ("**MD&A**") as provided by the management of 3MV Energy Corp. ("**3MV Energy**", or the "**Corporation**") formerly Noravena Capital Corporation ("**Noravena**") reports on the financial condition and the results of operations for the three and six month periods ended June 30, 2012 and July 31, 2011 and should be read in conjunction with the December 31, 2011 and April 30, 2011 audited consolidated financial statements and notes thereto as well as the audited consolidated financial statements and notes thereto. The aforementioned audited financial statements for the period ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All financial measures are expressed in Canadian dollars unless otherwise indicated. This commentary is based on the information available as at and is dated August 27, 2012.*

Description of the Company

3MV Energy Corp. ("**3MV Energy**") is the corporation resulting from the 3-cornered amalgamation (the "**Amalgamation**") of 3MV Energy Inc., Noravena Capital Corporation ("**Noravena**"), a capital pool company listed on the TSX Venture Exchange and Noravena's wholly owned subsidiary Noravena Acquisition Corporation, completed on January 29, 2012. Noravena issued 20.27 shares for each 3MV Energy Inc. share then consolidated its shares one for ten (1:10) and changed its name to "3MV Energy Corp." 3MV Energy is based in Calgary and engaged in the exploration, development, production and acquisition of petroleum and natural gas reserves in Western Canada primarily Saskatchewan. The address of the registered office is#250, 305-10 Ave SE Calgary, Alberta T2G 0W2.

3MV Energy Inc. was a corporation resulting from the prior merger of Seawall Energy Management Corp. ("**Seawall**") and 3 Martini Ventures Inc. ("**3 Martini**"). Seawall was incorporated under the Business Corporation Act (Alberta) on March 4, 2010. On September 1, 2011 Seawall changed its name to "3MV Energy Inc." 3 Martini was incorporated under the Business Corporations Act (Alberta) on March 31, 2008. 3 Martini had a wholly owned subsidiary, Buckhorn Resources Ltd. On June 30, 2011 Seawall and 3 Martini completed a Plan of Arrangement (the "**Arrangement**") in which each 3 Martini share was transferred to Seawall, and each holder received 3.63 Seawall Shares for each 3 Martini Class A Share and 1.815 Seawall shares for each 3 Martini Class B Share. 3 Martini shareholders acquired a majority share of Seawall. For accounting purposes, 3 Martini was considered the acquirer and Seawall the acquiree. In accordance with IFRS 3, the consolidated financial statements in the name of 3MV Energy Inc. (formerly Seawall Energy Management Corp.), are however a continuation of the consolidated financial statements of 3 Martini, the accounting acquirer.

As noted above, on January 29, 2012 3MV Energy Inc. and Noravena completed the Amalgamation in which each 3MV Energy Inc. share was acquired by Noravena, and each holder received Noravena shares for 3MV Energy Inc. shares. 3MV Energy Inc. shareholders acquired a majority share of Noravena. The consolidated financial statements are in the name of 3MV Energy Corp. (formerly Noravena), and are a continuation of the consolidated financial statements of 3MV Energy Inc.

Basis of Presentation

On February 23, 2012, 3MV Energy filed its notice as required to change its yearend. As such the Corporation's year-end has been changed from April 30 to December 31 in order to be more consistent with peer companies. Notice of this change can be viewed on the SEDAR web site at www.sedar.com. The condensed consolidated interim financial statements and comparative information have been prepared in accordance with IFRS. For a summary of the Corporation's detailed accounting policies, refer to notes 3 and 4 of the Corporation's December 31, 2011 consolidated financial statements. The following MD&A compares the results of the three and six months ended June 30, 2012 to the three and six months ended July 31, 2011. The term "Q2 2012" or similar terms are used throughout this document and refer to the three month and six month periods ended June 30, 2012.

Forward-Looking Information

This document contains forward-looking statements. More particularly, this document contains statements concerning the anticipated exploration and development activities of the Corporation.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions concerning the application of regulatory regimes, prevailing commodity prices and exchange rates, availability and cost of labour and services, the timing and receipt of regulatory approvals, the performance of existing wells, the success obtained in drilling new wells, the performance of new wells and the sufficiency of budgeted capital expenditures in carrying out planned activities.

Although 3MV Energy believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements as the Corporation can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

Such factors include, but are not limited to: the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; health and safety and environmental risks; commodity price and exchange rate fluctuations; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; regulatory risks including royalty regimes; and financial liquidity risks).

Forward-looking statements contained in this document are made as of the date hereof and 3MV Energy undertakes no obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

BOE Conversion

Where amounts are expressed on a barrel of oil equivalent ("**boe**") basis, natural gas volumes have been converted to boe using a ratio of six thousand cubic feet ("**Mcf**") of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an industry standard energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Boe figures may be misleading, particularly if used in isolation.

Non-IFRS Measurements

Certain financial measures referred to in this MD&A, such as funds generated from operations, are not prescribed by IFRS. Funds generated from operations is calculated based on cash flows from operating activities before changes in non-cash working capital, transaction costs and decommissioning provision expenditures incurred. 3MV Energy uses funds generated from operations to analyze operating performance and leverage, and considers funds generated from operations to be a key measure as it demonstrates the Corporation's ability to generate cash necessary to fund future capital investments and repay debt.

This MD&A also contains other industry benchmarks and terms, such as working capital (deficiency) (calculated as current assets less current liabilities) and operating netbacks (calculated on a per unit basis as oil, gas and natural gas liquids revenues, less royalties, transportation and operating costs), which are not recognized measures under IFRS. Management believes that in addition to net income and cash flow from operating activities, working capital, and operating netbacks are useful supplemental measures as they provide an indication of 3MV Energy's operating performance, leverage and liquidity. Investors should be cautioned, however, that these measures should not be construed as an alternative to both net income and cash flow from operating activities, which are determined in accordance with IFRS, as indicators of 3MV Energy's performance.

Results of Operations

Production

	Three months ended			Six months ended		
	June 30, 2012	July 31, 2011	Change %	June 30, 2012	July 31, 2011	Change %
Daily Production:						
Light crude oil (bbls/d)	**146.8**	126.1	16.4%	**163.4**	126.9	28.7%
Natural gas (Mcf/d)	**208.3**	218.8	(4.8%)	**220.1**	297.2	(25.9%)
Natural gas liquids (bbls/d)	**6.0**	2.7	122.2%	**5.1**	5.6	(7.9%)
Total boe/d (6:1)	**187.5**	165.2	13.5%	**205.2**	182.0	12.7%

Production in Q2 2012 was 187.5 boe/d which represents a 13.5 percent increase over the three month period ended July 31, 2011, in which the Corporation produced 165.2 boe/d. Production in the six month period ended June 30, 2012 was 205.2 boe/d which represents a 12.7% increase over the six month period ended July 31, 2011, in which the Corporation produced 182.0 boe/d. The increase in production was a result of 3MV Energy's drilling program in the Fiske area in the winter of 2011 and early 2012, which produced higher than average initial production rates compared to historical results in the Dodsland area. 3MV drilled 1 gross (1 net) well in Q1 2012 which was located in the Corporation's Fiske Oil Discovery area and no wells in Q2 2012.

Production for the quarter ended June 30, 2012 was comprised of 152.8 bbls/d of light crude oil and natural gas liquids ("**NGLs**") and 208.3 thousand cubic feet per day ("**Mcf/d**") of natural gas. 3MV Energy's product volume mix during the quarter ended June 30, 2012 was 81 percent oil and NGLs and 19 percent natural gas compared to 78 percent oil and NGLs and 22 percent natural gas in three month period ended July 31, 2011. Production in the six month period ended June 30, 2012 was comprised of 168.5 bbls/d of light crude oil and NGLs and 220.1 Mcf/d of natural gas. 3MV Energy's product volume mix during the six month period ended June 30, 2012 was 82 percent oil and NGLs and 18 percent natural gas in the six month period ended June 30, 2012 compared to 73 percent oil and NGLs and 27 percent natural gas in the six month period ended July 31, 2011.

Commodity Markets

	Three months ended			Six months ended		
	June 30, 2012	July 31, 2011	Change %	June 30, 2012	July 31, 2011	Change %
Average Benchmark Prices						
Crude oil – WTI (US$ per bbl)	**93.49**	98.32	(5%)	**98.21**	99.58	(1%)
Crude oil – Edmonton Light Sweet ($ per bbl)	**83.92**	97.90	(14%)	**88.05**	97.49	(10%)
Natural gas – AECO-C Spot ($ per mcf)	**2.00**	3.79	(47%)	**1.97**	3.80	(48%)
3MV`s Average Realized Prices						
Crude oil and natural gas liquids ($ per bbl)	**75.40**	95.92	(21%)	**79.49**	91.92	(14%)
Natural gas ($ per mcf)	**1.65**	3.67	(55%)	**1.78**	3.58	(50%)

3MV's realized price for its light crude oil and NGLs in the second quarter of 2012 was $75.40/bbl (three month period ended July 31, 2011 – $95.92/bbl) compared to a WTI price of $94.43/bbl Canadian (three month period ended July 31, 2011 – $95.04/bbl).

The Corporation experienced a reduction in its realized price for light crude oil from the first quarter of 2012 to the second quarter of 2012 due to widening crude oil differentials caused by capacity constraints in the refining market due to increased supply in the area. As the second quarter of 2012 progressed, differentials began to widen even further due to unexpected pipeline constraints, reduced refinery demand, and subsequent large builds in inventory levels across key consuming regions. The Corporation realized price for crude oil was further reduced by a nomination penalty incurred during the period. 3MV Energy's production is sold in Canada and is sensitive to world crude oil price variations.

3MV realized a gas price of $1.65/mcf for Q2 2012 compared to $3.67/mcf in the three month period ended July 31, 2011. The Corporation's current natural gas production is associated natural gas.

Revenues

$	Three months ended June 30, 2012	July 31, 2011	Change %	Six months ended June 30, 2012	July 31, 2011	Change %
Revenues by product						
Light crude oil	**1,022,768**	1,112,267	(8%)	**2,391,119**	2,306,002	4%
Natural gas	**31,237**	73,068	(57%)	**71,306**	159,745	(55%)
Natural gas liquids	**25,328**	11,765	115%	**46,917**	31,478	49%
Total revenues	**1,079,333**	1,197,100	(10%)	**2,509,342**	2,497,225	0%
Total revenues per boe	**63.27**	78.75	(20%)	**67.19**	76.49	(12%)

For the quarter ended June 30, 2012, 3MV Energy's revenues decreased 10 percent to $1.1 million from $1.2 million for the 3 months ended July 31, 2011. The decrease in sales revenue, period over period, is a result of relatively minor production gains being offset by reduced sales prices in the comparative period. These prices were further reduced by a widening differential between benchmark prices and the realized sales price per barrel received at the wellhead as well as a downward adjustment due to a nomination penalty in April, 2012. For the six month period ended June 30, 2012, 3MV Energy's revenues were relatively unchanged at $2.5 million when compared to the six month period ended July 31, 2011.

Royalties

$	Three months ended June 30, 2012	July 31, 2011	Change %	Six months ended June 30 2012	July 31, 2011	Change %
Royalty expenses						
Total	**131,919**	126,599	4%	**292,299**	280,620	4%
$ per boe	**7.73**	8.33	(7%)	**7.83**	8.60	(9%)
% of revenue	**12%**	11%	16%	**12%**	11%	4%

Royalty payments are made to the owners of the mineral rights on leases, which include provincial governments and freehold landowners, as well as to other third parties by way of contractual overriding royalties. Overriding royalties are generally paid to third parties where 3MV Energy has entered into agreements to earn an interest in their mineral rights by investing capital in their property.

For the quarter ended June 30, 2012, total royalties increased 4 percent to $132 thousand from $127 thousand for the three month period ended July 31, 2011 due primarily to higher average production volumes for the period. The Corporation's average royalty rate for Q2 2012 was 12 percent of revenue compared to 11 percent for the three month period ended July 31, 2011. Royalties as a percentage of revenue remained largely unchanged over the two periods. For the six month period ended June 30, 2012, total royalties increased 4 percent to $292 thousand from $281 thousand for the six month period ended July 31, 2011. The Corporation's average royalty rate for the six month period ended June 30, 2012 was 12 percent of revenue compared to 11 percent for the six month period ended July 31, 2011.

Operating and Transportation Expenses

$	Three months ended June 30, 2012	July 31, 2011	Change %	Six months ended June 30, 2012	July 31, 2011	Change %
Operating & transportation expenses						
Total	**506,635**	333,638	52%	**1,016,914**	805,087	26%
Total operating costs per boe	**29.70**	21.95	35%	**27.23**	24.66	10%

Operating expenses totaled $507 thousand or $29.70/boe for the quarter ended June 30, 2012 as compared to $334 thousand or $21.95/boe for the three month period ended July 31, 2011, representing a 35 percent increase per boe. Operating expenses totaled $1.0 million or $27.23/boe for the six months ended June 30, 2012 as compared to $805 thousand or $24.66/boe for the six months ended July 31, 2011. The increase in operating expenses per barrel is attributable to the Corporation bringing on more producing wells during the period compared to the period ended July 31, 2011. A majority of the increased wells came from the Corporation's relatively new Fiske play. The Fiske play is further from Kindersley than 3MV's traditional Dodsland assets which in turn increase trucking and operating costs. In addition, due to the increased number of wells 3MV hired another operator increasing the per BOE costs for Q2 2012 compared to the period ended July 31, 2011. 3MV Energy recently constructed a tank battery, pipeline and improved roads in the area in order to help mitigate operating costs on a go forward basis. It is the Corporation's expectation that when these assets are fully operational, it will help decrease operating and trucking costs in the future. Also included in operating expenses is the rental of jet pumps that the Corporation used in the production of oil in two of the Fiske wells. These pumps were not deemed to provide enough benefit as to be economic and their use was discontinued. These wells are now producing through traditional pumping systems.

General and Administrative ("G&A") Expenses

$	Three months ended June 30, 2012	July 31, 2011	Change %	Six months ended June 30, 2012	July 31, 2011	Change %
General & administrative expenses						
Total	**1,141,798**	908,819	26%	**1,767,075**	1,534,059	15%
Total G&A costs per boe	**66.93**	59.79	12%	**47.31**	46.99	(1%)

During the quarter ended June 30, 2012, G&A totaled $1.1 million or $66.93/boe as compared to the three months ended July 31, 2011 where G&A expenses were $909 thousand or $59.79/boe. During the six months ended June 30, 2012, G&A totaled $1.7 million or $45.54/boe as compared to the six months ended July 31, 2011 where G&A totaled $1.5 million or $46.99/boe. The increase in general and administrative charges were in large part due to the Corporation incurring $413 thousand in professional service charges in Q2 2012. These charges relate to legal and other professional fees required in conjunction with being publicly listed Corporation. The increase period over period can also be attributed to an increase in salaries and wages required as the Corporation increased in size over the two periods. The Corporation also incurred $223 thousand in share based compensation expense in Q2 2012 that relates to stock options issued to employees and directors of the Corporation. There was no stock based compensation incurred in the three month period ended July 31, 2011. Please refer below for more detail on share based compensation.

Share-Based Compensation

For the second quarter of 2012, 3MV Energy expensed $223 thousand in share-based compensation related to outstanding stock options compared to $nil for the three month period ended July 31, 2011. For the six months ended June 30, 2012, 3MV Energy expensed $404 thousand and in share-based compensation compared to $nil for the six month period ended July 31, 2011. Share-based compensation increased due to options being issued to management and directors at the end of 2011 and in Q1 2012. As at June 30, 2012, there were 1,400,312 stock options outstanding. There were no stock options granted, exercised or forfeited during the second quarter of 2012.

Share-based compensation is a non-cash calculation, utilizing the Black-Scholes model, or the estimated cost associated with options granted to purchase common shares of the Corporation. The share-based compensation expense reflects the value ascribed to the non-cash compensation provided by 3MV Energy to directors, officers, employees and consultants of the Corporation. This expense may not represent actual cash compensation realized by the recipients of the options upon the eventual exercise and disposition of these options.

Depletion and Depreciation

	Three months ended			Six months ended		
$	June 30, 2012	July 31, 2011	Change %	June 30, 2012	July 31, 2011	Change %
Depletion & Depreciation						
Total	**484,852**	550,102	(12%)	**1,046,355**	936,935	12%
Total Depletion & Depreciation costs per boe	**28.42**	36.19	(21%)	**28.02**	28.70	(2%)

For the quarter ended June 30, 2012, depletion and depreciation expense was $485 thousand or $28.42/boe as compared to the three months ended July 31, 2011 in which the expense was $550 thousand or $36.19/boe. For the six months ended June 30, 2012, depletion and depreciation expense was $1.0 million or $28.02/boe as compared to the six months ended July 31, 2011 in which the expense was $937 thousand or $28.70/boe. Comparatively, the net book value of 3MV Energy's property, plant and equipment at June 30, 2012 was $14.2 million compared to $18.6 million as at July 31, 2011. The decrease in net book value period over period is due the impairment recognized by the Corporation in the period December 31, 2011 and depletion incurred offset by capital spending.

Transaction and Share Listing Expense

On January 29, 2012, the Corporation closed the amalgamation between 3MV Inc. and Noravena. All of the issued and outstanding shares of 3MV Inc. were acquired on the basis of 20.27 pre-consolidation common shares of Noravena for each one common share of 3MV Inc. Following the amalgamation Noravena changed its name to "3MV Energy Corp." and consolidated its common shares on the basis of one post-consolidation common share for each ten pre-consolidation common shares (1:10). Following the amalgamation, 3MV Energy Corp. resumed trading on the TSX Venture under the trading symbol TMV.

Under the rules of IFRS, a capital pool corporation does not meet the definition of a business. As a result, the excess of the fair value of the consideration given over the net assets of the capital pool corporation is recorded as a share listing expense on the statement of comprehensive loss. As this was a non cash transaction, the amount is added back to the cash flow from operating activities on the consolidated statement of cash flows. Of the Corporation's $3.4 million loss for the six months ended June 30, 2012, $1.5 million related to the share listing expense. Further transactions costs in the amount of $200,867 were incurred during the period and relate to legal and professional fees.

Finance Costs

Finance costs include both interest and bank charges in the quarter as well as accretion expense.

Interest and bank charges for Q2 2012 were $153 thousand compared to $65 thousand for the three month period ended July 31, 2011. The increase in the charges between the two periods is the result of a $2 million mezzanine loan facility being drawn for the Q2 2012 period where as a different $1 million facility was drawn during the 3 month period ended July 31, 2011. In addition, the amount of the operating loan outstanding increased period over period resulting in higher interest. On a six month basis, interest rose to $193 thousand for the period ended June 30, 2012 compared to $106 thousand for the period ended July 31, 2011. The increase is a result of a larger mezzanine loan drawn in 2012 compared to 2011 as well a higher amount of the operating loan being drawn in 2012.

Accretion expense for Q2 2012 was $11 thousand compared to $10 thousand for the three month period ended July 31, 2011. Accretion expense for the six month period ended June 30, 2012 was $22 thousand compared to $29 thousand for the six month period ended July 31, 2011. The accretion expense represents the change in the time value of the underlying decommissioning provision.

Loss Incurred by Operations

	Three months ended			Six months ended		
$/boe	June 30, 2012	July 31, 2011	Change %	June 30, 2012	July 31, 2011	Change %
Petroleum & natural. gas revenues	**63.27**	78.75	(20%)	**67.19**	76.49	(12%)
Royalties	**(7.73)**	(8.33)	(7%)	**(7.83)**	(8.60)	(9%)
Operating costs	**(29.70)**	(21.95)	35%	**(27.23)**	(24.66)	10%
Operating netback	**25.84**	48.47	(47%)	**32.13**	43.24	(26%)
General & admin. expenses	**(66.93)**	(59.79)	12%	**(47.31)**	(46.99)	1%
Interest expense	**(7.63)**	(3.52)	117%	**(4.25)**	(2.33)	83%
Income taxes – current	**(0.47)**	(32.62)	(99%)	**(0.21)**	(20.35)	(99%)
Funds generated from operations	**(49.19)**	(47.46)	4%	**(19.65)**	(26.43)	(26%)

For the quarter ended June 30, 2012, loss incurred by operations increased 202 percent to a loss of $839 thousand or $49.19/boe compared to a loss of $721 thousand or $47.46/boe during the three months ended July 31, 2011. On a three month basis, this decline can be attributed to lower realized revenues on a per barrel basis combined with increased operating and transportation costs and an increase in G&A costs. This was offset be a decrease in the current income tax expense incurred for the period. For the six months ended June 30, 2012, loss incurred by operations decreased 29 percent to a loss of $734 thousand or $19.65/boe compared to a loss of $863 thousand or $26.43/boe during the three months ended July 31, 2011. The change in the loss incurred by operations can also be attributed to a lower realized price per barrel and an increase in operating costs per barrel. General and administrative expenses on a per BOE basis were consistent on a 6 month basis as a result of the reverse takeover with Seawall Energy in early 2011. Income tax expense incurred decreased from a six month total of $664 thousand for the period ended July 31, 2011 compared to $8 thousand incurred at the end of June 30, 2012.

The following table summarizes the netbacks on a barrel of oil equivalent basis for the three and six month periods ended June 30, 2012 and July 31, 2011. These figures are determined by taking the revenue and expense amounts from the financial statements divided by total production for the period.

Earnings per share

Basic and diluted income (loss) per share

	Loss for the period $	Weighted average number of shares	Per share amount $
Three months ended June 30, 2012			
Basic and diluted	(1,306,308)	13,988,860	(0.09)
Six months ended June 30, 2012			
Basic and diluted	(3,446,394)	12,270,756	(0.28)
Three months ended July 31, 2011			
Basic and diluted	(955,395)	3,717,292	(0.26)
Six months ended July 31, 2011			
Basic and diluted	(1,386,121)	3,563,241	(0.39)

The effect of warrants and stock options outstanding on loss per share for the periods ended June 30, 2012 and July 31, 2011 is anti-dilutive.

Cash Flow from Operations

	Loss for the period $	Weighted average number of shares	Per share amount $
Three months ended June 30, 2012			
Basic and diluted	(1,372,915)	13,988,860	(0.10)
Six months ended June 30, 2012			
Basic and diluted	54,472	12,270,756	0.00
Three months ended July 31, 2011			
Basic and diluted	1,488,815	3,717,292	0.40
Six months ended July 31, 2011			
Basic and diluted	784,784	3,563,241	0.22

Note:

(1) In accordance with IFRS standards, the weighted average number of shares outstanding for the corporation as of July 31, 2011 is calculated as the number of 3 Martini shares outstanding for the period multiplied by the share exchange ratio.

Summary of Quarterly Results

	Three months ended		Two months ended	Three months ended
	June 30, 2012	March 31, 2012	December 31, 2011	October 31, 2011
Petroleum & natural gas revenues, before royalties [(1)]	**1,079,333**	1,430,010	1,283,859	1,205,784
Funds flow from operations [(1)]	**(49.19)**	5.19	(34.99)	7.13
Operating netback [(1)]	**25.84**	37.43	36.52	28.14
Capital expenditures [(1)]	**827,408**	3,161,026	4,660,838	3,204,855
Net income (Loss) [(1)]	**(1,306,308)**	(2,139,110)	N/A	N/A
Earnings (Loss) per share (basic and diluted) [(1)]	**(0.09)**	(0.18)	N/A	N/A

	Three months ended			
	July 31, 2011	April 30, 2011	January 31, 2011	October 31, 2010
Petroleum & natural gas revenues, before royalties [(1)]	1,197,099	1,300,125	660,589	1,275,220
Funds flow from operations [(1)]	(47.46)	1.40	3.93	35.87
Operating netback [(1)]	48.47	38.67	21.36	38.83
Capital expenditures [(1)]	1,393,927	428,842	1,760,913	3,674,807
Net income (Loss) [(1)]	(955,395)	(430,726)	N/A	N/A
Earnings (Loss) per share (basic and diluted) [(1)]	(0.28)	(0.14)	N/A	N/A

Note:
(1) This financial information has been extracted from 3MV's unaudited quarterly financial statements and previously disclosed amounts included in management discussion and analysis. The Corporation was private as at December 31, 2011 and quarterly information for previous periods is disclosed as was available.

Capital Expenditures

The following table details the capital additions relating to the Corporation's property and equipment for the three and six month periods ended June 30, 2012 and July 31, 2011:

	Three months ended			Six months ended		
$	June 30, 2012	July 31, 2011	Change %	June 30, 2012	July 31, 2011	Change %
Capital expenditures						
Drilling and completions	**95,582**	863,150	-89%	**1,439,058**	935,358	54%
Facilities and equipment	**60,620**	165,963	-63%	**1,663,933**	460,382	261%
Land and seismic	**639,102**	301,840	112%	**788,051**	364,056	116%
Corporate and property acquisitions	**32,104**	62,974	-49%	**97,393**	62,974	55%
Other	-	-	-	-	-	-
Total capital expenditures	**827,408**	1,393,927	-41%	**3,988,435**	1,822,770	119%

Total capital expenditures for the quarter ended June 30, 2012 were $827 thousand compared to $1.4 million for the three month period ended July 31, 2011. Total capital expenditures for the six months ended June 30, 2012 were $4.0 million compared to $1.8 million for the six month period ended July 31, 2011. The decrease in the Q2 expenditures compared to the 3 months ended July 31, 2011 is the result of the reduced drilling and facility development during the Q1 2012 period. The Corporation did not drill any wells in Q2 2012 and incurred only minor costs to continue completion on a pipeline and a significant portion of the battery in the Fiske area; whereas in the three months ended July 31, 2011 the Corporation drilled one well and began work on a battery in the Dodsland area.

Capital Expenditures (continued)

Drilling and completions costs for Q2 2012 were $96 thousand compared to $863 thousand for the three months ended July 31, 2011. Drilling and completions costs for the six months ended June 30, 2012 were $1.4 million compared to $935 thousand for the six months ended July 31, 2011. The increase is directly related to the timing of drilling work done at Fiske. Only one well was drilled during the first six months of 2012 and certain existing wells were worked over and completed during the period.

Facilities and equipment expenditures for the quarter ended June 30, 2012 totaled $61 thousand compared to $166 thousand for the three months ended July 31, 2011. Facilities and equipment expenditures for the six months ended June 30, 2012 totaled $1.7 million compared to $460 thousand for the six months ended July 31, 2011 as was the result of the battery and pipeline costs incurred at Fiske.

Land and seismic expenditures for the quarter ended June 30, 2012 totaled $639 thousand compared to $302 thousand for the three months ended July 31, 2011. Land and seismic expenditures for the six months ended June 30, 2012 totaled $788 thousand compared to $364 thousand for the six months ended July 31, 2011. The increase the expenditures for the three and six months ended June 30, 2012 is the result of the 3D seismic shot by 3MV Energy in the Fiske area in 2012.

Capital Resources

Capital Resources and Credit Facility

As at June 30, 2012, the Corporation had $4 million available in respect of its credit facility of which $3.96 million was drawn. The credit facility is a revolving demand credit facility that is determined based on, among other things, the Corporation's current reserve report, results of operations, current and forecasted commodity prices and the current economic environment. The facility requires the Corporation maintain an adjusted working capital ratio of 1.0:1.0, calculated by taking current assets for the period plus amount available in the facility at period end divided by current liabilities less amount drawn on the facility at period end. As of June 30, 2012 the Corporation had an adjusted working capital ratio of 0.2:1.0. Subsequent to the end of the period, the Corporation was issued a notice of default on the operating loan facility (see subsequent events). The credit facility is subject to periodic review by the bank, with the next review scheduled on or before May 31, 2013.

Additionally, the Corporation has also drawn a $2.0 million mezzanine loan. The loan is subordinated in nature and interest is payable at 15% per annum through maturity of May 31, 2013. Interest is due and calculated monthly. The Corporation is subject to a working capital ratio covenant calculated in the same manner as the operating loan. As at June 30, 2012 the Corporation's working capital ratio was 0.2:1.0; which was in violation of the minimum 1.0:1.0 ratio required. The loan also requires the Corporation to maintain a secured debt to equity ratio of less than 1.0:1.0 at all times. The secured debt to equity ratio is calculated as consolidated debt in accordance with IFRS excluding interest, deferred taxes, amortization and other non-cash items over consolidated shareholder's equity. At June 30, 2012 the Corporation's secured debt to equity ratio was 2.1:1.0. The Corporation is also subject to maintain a secured debt to trailing cash flow ratio at or below 2.5:1.0 at all times. For the purposes of this covenant, trailing cash flow is defined as consolidated IFRS net income with deferred taxes, amortization, and other noncash charges added back. As at June 30, 2012 the Corporation had a secured debt to trailing cash flow ratio of (4.9):1.0.

The Corporation plans to fund its future capital program from a combination of equity financing as available and cash flow generated from operations.

Future Operations and Liquidity Analysis

For the six months ended June 30, 2012, the Corporation reported a net loss of $3.4 million and had a working capital deficiency of $10.4 million. During the six month period, the Corporation obtained debt financing in the amount of $2.0 million however the amount was not sufficient to correct the working capital deficiency as the Corporation's working capital deficiency of $10.4 million remains well in excess of the available lending facilities of $6.0 million. The Corporation's banking arrangements in place are not sufficient to fund the exploration and development program for the next twelve months and the Corporation is in violation of bank covenants and forecasts bank covenant violations. Subsequent to the end of the period, the Corporation's senior lender placed the entity in default. The senior lender issued a Payment Blockage Notice to the Corporation and its subordinated mezzanine lender. This notice constrains the Corporation's ability to make interest payments to its subordinated lender. The Corporation is currently working closely with its lenders to resolve the situation. These conditions create a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Additional equity, debt and/or farm-out arrangements will be required to meet the Corporation's obligations as they become due and there are no guarantees that such additional capital funding will be available when needed.

Future Operations and Liquidity Analysis (continued)

These interim condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business and does not reflect adjustments that would otherwise be necessary if the going concern assumption was not valid. Management believes that the going concern assumption is appropriate for these financial statements. If this assumption were not appropriate, adjustments to the carrying amounts of assets and liabilities, and expenses and the statement of financial position classifications used may be necessary which could be material.

Financial Position

As mentioned above the Corporation had a working capital deficiency of $10.4 million compared to a working capital deficiency of $6.1 million as of December 31, 2011. The Corporation experienced high general and administrative expenses relating to the qualifying transaction which closed in the six month period. The Corporation also incurred large amount of professional fees during the period as a result of financing reviews, financial audits and reviews. Additionally capital expenditures were incurred relating to the drilling program, which have increased the Corporation's total asset base however have yet to be offset by its production growth thus far. The Corporation is looking for additional capital funding to continue its capital program and bring down the working capital deficiency. Cash used in operations for the quarter ended June 30, 2012 was $1.4 million compared to cash generated from operations of $1.0 million for the eight months ended December 31, 2011. The Corporation looks to build on the success of the capital drilling program and aims to decrease its operating and G&A costs in subsequent periods.

Outlook

3MV Energy intends to focus its drilling and production efforts on its highly productive Fiske light oil discovery for the remainder of 2012 and into 2013. With 34.25 net sections of land subject to a farm out agreement (of which the Corporation has earned and participated in 2.65 net sections) and another section (crown lease) owned by 3MV Energy, and a recent 19.9 km^2 3D seismic program, 3MV Energy has identified and licensed 17 future drilling locations, eight of which the Corporation considers to be infill locations. The Corporation's recent success in the play, with three wells producing over 100 boe/d during the first 30 days of production, has led to significant reserves additions in the area and 3MV Energy intends to build off that momentum as quickly as is practicable with additional capital raised in the upcoming periods.

Off-Balance Sheet Arrangements

The Corporation has not entered into any hedging contracts. The Corporation does not have any special purpose entities nor is it a party to any off-balance sheet arrangements.

Outstanding Share Data

Common Shares

3MV Energy is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. Holders of common shares are entitled to one vote per share at meetings of shareholders of 3MV Energy.

As at June 30, 2012 and August 27, 2012, a total of 13,988,860 common shares were issued and outstanding.

As at June 30, 2012, the Corporation had 1,400,312 options to acquire common shares and issued 196,777 broker warrants. As at August 27, 2012, the Corporation has 1,192,382 options to acquire common shares and 196,777 broker warrants.

Related party transactions

The consolidated financial statements include the financial statements of 3MV Energy Corp. and its subsidiaries, listed in the following table:

Name	Country of incorporation	% equity interest June 30, 2012	% equity interest April 30, 2011
3MV Energy Operations	Canada	100%	-
Buckhorn Resource Ltd.	Canada	100%	100%

Balances and transactions between 3MV Energy Corp. and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Contractual Obligations and Commitments

The Corporation has operating lease commitments for office premises that expire in 2014. The future minimum lease payments are as follows:

$	June 30, 2012
2012	33,196
2013	66,392
2014	38,728
Total commitment	121,718

Capital Commitments

The Corporation has entered into "farm-in" agreements whereby the Corporation may earn working interests in oil and gas properties in exchange for undertaking capital spending programs to develop the properties. Per the current terms of the farm-in agreement, the Corporation must begin drilling two wells on the designated property by August 31, 2012 or will incur a penalty of $1,000,000. As at June 30, 2012 the Corporation is committed to fulfilling all of its farm-in obligations.

During the period ended December 31, 2011 the Corporation closed the private placement where Class A shares were issued on a "flow-through" basis with respect to Canadian exploration expenses for gross proceeds of approximately $2.92 million. Of the $2.92 million raised in flow-through, $2.91 million has been incurred to June 30, 2012. The remaining balance will be incurred prior to December 31, 2012.

Subsequent Events

Subsequent to the end of the quarter, 3MV announced it received a Notice of Default on its Senior Creditor Commitment Lender. The default was issued as a result of liens against certain assets of the Company as well as on a change of control default resulting from the resignation of the former Chief Executive Officer from his position. As a result, the notice of default constitutes a Payment Blockage to the Company's Subordinated Creditor. The Company is currently working closely with its lenders to resolve the situation.

The Company also announced the Board of Directors have cancelled all of their outstanding stock options to purchase shares of the Corporation. The Board of Directors previously held 207,930 options in the Company.

Other Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

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