Management's Discussion and Analysis

June 30, 2015

3MV ENERGY

*The following Management's Discussion and Analysis ("**MD&A**") as provided by the management of 3MV Energy Corp. ("**3MV Energy**", or the "**Corporation**") reports on the financial condition and the results of operations for the three and six month periods ended June 30, 2015 and June 30, 2014 and should be read in conjunction with the December 31, 2014 and December 31, 2013 audited consolidated financial statements and notes thereto and management's discussion and analysis. The unaudited financial statements for the three and six month periods ended June 30, 2015 and 2014 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, 2015.*

Description of the Company

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 #1150, 444-5th Ave SW Calgary, Alberta T2P 2T8.

Basis of Presentation

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, 2014 consolidated financial statements. The following MD&A compares the results of the three and six months ended June 30, 2015 to the three and six months ended June 30, 2014. The term "Q2 2015" or similar terms are used throughout this document and refer to the three month period ended June 30, 2015.

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.

The following table reconciles funds generated from operations to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS:

	Three months ended		Six months ended	
$	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Cash flows from operating activities	**(303,286)**	321,193	**(456,701)**	(291,429)
Changes in non-cash working capital	**61,104**	(383,399)	**(66,833)**	214,489
Funds generated by operation (as defined above)	**(242,182)**	(62,206)	**(523,534)**	(76,940)

Fiscal 2015 highlights

- Operations

During 2015 the Corporation and its JV partner completed and equipped a vertical well previously drilled in Q4 2014 and brought onto production with favorable results.

In addition the Corporation and its JV partner re-fractured and equipped an existing shut in vertical well. Further to this, 3MV Energy participated in the re-fracturing of an existing horizontal oil well in order to increase production. The Corporation used a new completion technique that allowed it to reduce the cost of hydraulic fractures.

- Land

During 2015 the Corporation, along with its JV partner acquired further prospective land locations at its Fiske play. 3MV Energy now holds working interests in over 62 gross contiguous sections of land in its Fiske core area. In addition the Corporation acquired land parcels in Southeast Saskatchewan. The Corporation is currently focusing on building an inventory of future economic drilling locations that it will be able to exploit as commodity prices recover.

Results of Operations

Production

	Three months ended			Six months ended		
	June 30, 2015	June 30, 2014	% change	June 30, 2015	June 30, 2014	% change
Daily Production:						
Light crude oil (bbls/d)	**109.6**	64.9	69%	**107.8**	65.1	66%
Natural gas (Mcf/d)	**27.8**	63.9	(56%)	**26.3**	62.5	(58%)
Natural gas liquids (bbls/d)	**0.7**	1.0	(32%)	**0.5**	1.1	(55%)
Total boe/d (6:1)	**114.9**	76.6	50%	**112.7**	76.6	47%

Production for the three months ended June 30, 2015 was 114.9 boe/d which represents a 50 percent increase from Q2 2014, in which the Corporation produced 76.6 boe/d. Average production for the six months ended June 30, 2015 of 112.7 boe/d was 47 percent higher than production for the six months ended June 30, 2014 of 76.6 boe/d. The increase in average daily production for the three and six month periods in Q2 2015 compared to Q2 2014 was a result of the joint venture drilling activity performed at Fiske. During the fourth quarter of 2014, the Corporation commenced joint venture drilling and completion activities at its Fiske property in two phases. Phase 1 comprised of 6 gross (3 net) horizontal Viking wells were drilled and completed in early November followed by phase 2 drilling - 8 gross (4 net) horizontal wells and 1 gross (0.5 net) vertical well in late December 2014. The horizontal wells were completed in 2014 whereas the vertical well was completed, equipped and brought onto production in Q1 2015. During Q1 2015 the Corporation also participated in the re-fracturing of a previously shut-in Fiske vertical well and the re-fracturing of a poorly producing horizontal well. As a result of this drilling activity, 3MV Energy saw a rise in oil production late in 2014 and into 2015. Phase 1 drilling results came on as expected however the phase 2 results were mixed and averaged less production than expected. By comparison, during the six months ended Q2 2014 the Corporation participated in the drilling and completion of 1 gross horizontal well (0.5 net).

Production for the quarter ended June 30, 2015 was comprised of 110.3 bbls/d of light crude oil and natural gas liquids (“NGLs”) and 27.8 thousand cubic feet per day (“Mcf/d”) of natural gas. 3MV Energy’s product volume mix during the quarter ended June 30, 2015 was 96 percent oil and NGLs and 4 percent natural gas. The Corporation’s light crude oil and NGL weighting increased from Q2 2014 where it was 86 percent. The increase in the oil weighting is the result of the disposition of certain assets in the Kerrobert, Dodsland and Forgan areas in July 2014. The assets contributed to the Corporations associated gas production whereas the Fiske area produces 100% light oil.

Commodity Markets

3MV Energy's realized price for its light crude oil and NGLs in the second quarter of 2015 was $62.17/bbl (Q2 2014 – $101.30/bbl) compared to an Edmonton Light Sweet par price of $70.06/bbl (Q2 2014 – 104.51). For the six months ended June 30, 2015, the Company's realized price for its light crude oil and NGLs was $55.07 compared to the 2014 year-to-date realized price of $97.41/bbl, and an Edmonton Light Sweet benchmark price of $102.12.

During the three-month period ended June 30, 2015 the Corporation saw its realized price for light crude oil decrease as its benchmark crude oil price sank 33% from the same period last year. The price for light crude oil realized by the Corporation in comparison to its benchmark, Canadian par crude at Edmonton, decreased 6 percent from 97 percent to 91 percent. Strong refinery utilization in the United States and disruptions to heavy oil supply helped improve second quarter oil prices compared to Q1 2015. However, current North American oil production and inventory levels continue to keep downward pressure on domestic oil prices. In addition, the global oil supply continues to outpace demand and forecasted economic growth leading to further softening of commodity prices.

3MV Energy's production is sold in Canada and is sensitive to world crude oil price variations.

3MV Energy realized a natural gas sales price of $2.30/Mcf for Q2 2015 compared to $4.68/Mcf in Q2 2014. In the current quarter the Corporation's realized gas price represented 87 percent of its benchmark price, AECO-C spot, which averaged $2.64/Mcf over the period. During Q2 2014 the Corporation saw realized gas prices of $4.68/Mcf or 101 percent of AECO-C. It should be noted the gas revenue currently earned is minimal in relation to the total revenues of the Corporation. The Corporation's current natural gas production is associated gas from oil production.

	Three months ended			Six months ended		
	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
Average Benchmark Prices						
Crude oil – Edm Light Sweet ($ per bbl)	**68.68**	104.51	(34%)	**59.90**	102.12	(41%)
Natural gas – AECO-C Spot ($ per mcf)	**2.64**	4.62	(43%)	**2.64**	5.25	(50%)
3MV`s Average Realized Prices						
Crude oil and natural gas liquids ($ per bbl)	**62.17**	101.30	(39%)	**55.07**	97.41	(43%)
Natural gas ($ per mcf)	**2.30**	4.68	(51%)	**2.35**	5.02	(53%)

Revenues

For the quarter ended June 30, 2015, 3MV Energy's revenues decreased 1 percent to $630 thousand from $635 thousand for Q2 2014. Quarter over quarter, the decrease of the Corporation's realized commodity prices led to a $403 thousand drop in revenues offset by an increase of $398 caused by higher production levels. On a six month year to date basis, falling prices caused a $852 thousand drop in revenues offset by an increase of $719 thousand due to higher production levels. As mentioned above the production rise is a result of the joint venture operations undertook at Fiske in late 2014 and early 2015 offset by a dramatic decrease in the realized price of oil and natural gas.

	Three months ended			Six months ended		
$	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
Revenues by product						
Light crude oil	**622,917**	602,854	3%	**1,077,875**	1,155,175	(7%)
Natural gas	**5,829**	27,227	(79%)	**11,198**	56,812	(80%)
Natural gas liquids	**910**	4,866	(81%)	**1,923**	12,071	(84%)
Total revenues	**629,656**	634,947	(1%)	**1,090,996**	1,224,058	(11%)
Total revenues per boe	**60.22**	91.12	(34%)	**53.47**	88.26	(39%)

Royalties

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 three months ended June 30, 2015, total royalties increased 18 percent to $40 thousand from $34 thousand for the same period of 2014. The Corporation's average royalty rate for the three months ended June 30, 2015 rose to 6.4 percent of revenue compared to 5.4 percent for the same period of 2014. For the six months ended June 30, 2015, royalties were $82 thousand or 7.5 percent of revenue as compared to $69 thousand or 5.7 percent of revenue for the same period in 2014. The increase in total royalty charges incurred on a year to date basis can be attributed to a rise in total production. The rise in royalties as a percent of revenue is driven the Corporation's joint venture partner and the field operator did not settle certain overriding royalties through taken in kind (TIK) production but rather through cash payment. TIK royalties and the related revenue from the production is not recorded in the Corporation's financial statements and represent a large portion of the 3MV Energy's royalty payments in 2014.

	Three months ended			Six months ended		
$	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
Royalty expenses						
Total	**40,340**	34,137	18%	**82,022**	69,276	18%
$ per boe	**3.86**	4.90	(21%)	**4.02**	4.99	(20%)
% of revenue	**6.4%**	5.4%	19%	**7.5%**	5.7%	33%

Production and Operating Expenses

Operating expenses totaled $286 thousand or $27.33/boe for the second quarter of 2015 as compared to $265 thousand or $37.96/boe for the Q2 2014, representing an 8 percent total cost increase but a 28 percent decrease on a per boe basis. The increase in total costs can be attributed to rise in total production offset by efficiencies achieved in the field. On a per BOE basis, the large decrease is the result of the joint venture arrangement entered into during 2014. In the current period 3MV Energy split its operating costs relating to the Fiske oil field with its JV partner and was also able to achieve more efficiencies and economies of scale with the increased amounts of wells on production over last year. On a year to date basis, total operating expenses decreased twelve percent and dropped 40 percent on a per barrel basis largely due to an increase in production.

	Three months ended			Six months ended		
$	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
Operating & transportation expenses						
Total	**285,742**	264,533	8%	**521,374**	590,426	(12%)
Total operating costs per boe	**27.33**	37.96	(28%)	**25.55**	42.57	(40%)

General and Administrative ("G&A") Expenses

During the second quarter of 2015, G&A expenses totaled $250 thousand or $23.89/boe as compared to Q2 2014 where G&A expenses were $274 thousand or $39.34/boe. The 9 percent decrease in general and administrative charges was the result of lower consulting and legal costs incurred during the current period. For the six months ended June 30, 2015, 3MV Energy's general and administrative expenses increased 8 percent to $446 thousand from $410 thousand over the same period in 2014. The increase in general and administrative charges was due to a rise in professional charges incurred for work done in Q1 2015 relating to the joint venture agreement, as well an increase to corporate office rent as rent inducement period lapsed in 2014. On a per boe basis, the total G&A incurred decreased 26 percent due to an increase in production period over period.

	Three months ended			Six months ended		
$	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
General & administrative expenses						
Total	**249,770**	274,148	(9%)	**446,323**	410,740	8%
Total G&A expenses per boe	**23.89**	39.34	(39%)	**21.88**	29.61	(26%)

Share-Based Compensation

During the three month period ended June 30, 2015, 3MV Energy incurred $4 thousand in share-based compensation related to outstanding stock options compared to a recovery of $140 thousand during Q2 2014. Over the first six months of 2015 the Corporation incurred $11 thousand in share-based compensation compared to a recovery of $113 thousand over the same period in 2014. Share-based compensation was in a recovery position in the prior year as a result of the Corporation retracting conditional options previously granted to directors in the third quarter of 2013. The retracting of these 1,500,000 options issued with immediate vesting terms resulted in a reversal of $151,842 in share based payments costs originally incurred in 2013. The retractment of the options was pursuant of the disenactment of the draft plan adopted during 2013 and amended in June of 2014.

As at June 30, 2015, the Corporation had 5,120,262 stock options outstanding. There were no stock options issued or exercised during the first six months of 2015.

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

For the quarter ended June 30, 2015, depletion and depreciation expense totaled $352 thousand or $33.69/boe as compared to Q2 2014 in which the expense was $230 thousand or $33.00/boe. On a cumulative basis, 3MV Energy incurred depletion and depreciation expenses of $690 thousand or $33.81/boe for the six months ended June 30, 2015 compared to $467 thousand or $33.64/boe in 2014. The increase in depletion expense is the result of the increase in production in 2015 compared to 2014. The rise in depletion was further increased by a reduction of 3MV Energy's depletable base period over period. The depletion rate is calculated on proved and probable oil and natural gas reserves, taking into account the future development costs to produce the reserves. At June 30, 2015 3MV Energy's net book value of PPE was $9.5 million compared to $15.5 million as at June 30, 2014.

	Three months ended			Six months ended		
$	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
Depletion & Depreciation						
Total	**352,194**	229,915	53%	**689,874**	466,599	48%
Total Depletion & Depreciation costs per boe	**33.69**	33.00	2%	**33.81**	33.64	1%

Exploration and Evaluation expense

For the six month period ended June 30, 2015 the exploration and evaluation expense was $46 thousand compared to $nil in 2014. This expense relates to land lease expiries where management has no intention of development or renewal.

Finance Costs

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

Financing costs incurred during Q2 2015 totaled $322 thousand compared to $158 thousand for the three months ended June 30, 2014. The increase in the charges between the two periods is the result of the Corporation drawing down $6 million on a new loan facility in November of 2014. The facility incurs interest at a rate of 13% per annum with a provision that allows for up to 3% of the interest to be settled through the issuance of shares of the Corporation for up to six months. In addition, 3MV Energy obtained a $2 million secured credit facility from a related party in early 2014. During Q2 2014 only $1.4 million had been drawn on the facility compared to $1.98 million in Q2 2015. Finally, the increase was offset by a reduction in the amount of convertible debentures outstanding. In November 2014, $1 million of outstanding convertible debentures were converted to shares of the Corporation.

Included in finance costs is accretion expense. Accretion expense for the second quarter of 2015 was $26 thousand compared to $34 thousand for the second quarter of 2014. The accretion expense represents the change in the time value of the underlying decommissioning provision, related party loan and convertible debentures.

Included in the accretion expense for the quarter was $nil ($21 thousand in Q2 2014) relating to the convertible debenture financing issued by the Corporation. The debentures, net of the equity component and issue costs are accreted using the effective interest rate method over the term of debentures to their face value. During the year, the debentures were extended to February 21, 2016.

Also included in the accretion expense for the period was $21 thousand ($10 thousand in Q2 2014) relating to the related party loan financing issued by the Corporation in 2014. The loan, net of the share contribution amount is accreted using the effective interest rate method over the two year term, such that the carrying amount of the financial liability will equal the full amount loaned at maturity.

During the quarter the Corporation incurred $33 thousand ($nil in 2014) for the accretion of transaction costs relating to the new $10 million credit facility obtained late in 2014. As the warrants that were issued to the lender are separable from the loan, they are treated as a transaction cost and are presented separately from the liability amount. The initial carrying amount of the financial liability is determined by discounting the stream of future payments of interest and principal. The transaction costs, net of the deferred taxes and issue costs are accreted using the effective interest rate method over the three year term of the facility, such that the carrying amount of the financial liability will equal the $6 million principal balance at maturity. These costs are shown separate from finance costs.

Capital Resources

Capital Resources and Credit Facility

As at June 30, 2015, the Corporation had drawn $6 million on a new operating loan facility that was entered into during Q4 2014. The loan facility allows 3MV Energy to borrow up to $10 million made available in two advances. In exchange for providing the Facility, the Corporation issued warrants to the lender concurrent with the advancement of the first Tranche entitling the Lender to purchase 12,000,000 common shares of 3MV Energy at an exercise price equal to $0.25 per share. The maturity date of the loan is February 28, 2018. The loan bears interest at rate of 13% per annum and contains a clause that allows the lender to settle up 3% of the interest payable in a variable number of shares of the Corporation for a period of up to six months. In exchange for providing the Facility, the Corporation shall provide security in favor of the Lender over all the real property of the Corporation. The Corporation is subject to an adjusted working capital ratio covenant (to exceed 1.2:1). At June 30, 2015 the Corporation's adjusted working capital ratio was 0.64:1 which is in violation of the allowable amount. The Corporation is also subject to an asset coverage ratio (total present value of assets to be a minimum of 1.50 times total). As at June 30, 2015 the Corporation's asset coverage ratio was 0.53:1; which is in violation of the allowable amount. Finally, the Corporation is subject to an interest coverage ratio. For the quarter ending June 30, 2015 the trailing 90 days interest coverage ratio shall be greater than 3.0:1. At June 30, 2015 the Corporation's interest coverage ratio was 0.45:1; which is in violation of the covenant. Prior to the end of the quarter, the Corporation notified the lender of the expected covenant violations. A waiver was not issued before the end of the period resulting in the loan being reclassified as a current liability. The lender has not demanded repayment of the non-revolving term credit facility as a result of the Corporation not being in compliance with the covenants. The Corporation is in discussions with the lender with respect to obtaining a waiver of the financial covenants.

During the 2014 year the Corporation obtained a secured draw down facility loan in the amount of $2.0 million from a director and major shareholder of the Corporation. The loan has an annual interest rate of 8% and because this rate is less than the Corporation would reasonably be able to obtain from an arm's length third party, the fair value of the loan has been determined to be an amount less the face value due at maturity. The difference between the fair value and the face value of the loan is classified as a shareholder contribution. The loan, net of the share contribution amount is accreted using the effective interest rate method over the two year term, such that the carrying amount of the financial liability will equal the full amount loaned at maturity. Included in the loan is a provision whereby accrued interest will be settled quarterly through the issuance of common shares in the Corporation in order to help preserve cash flow. As at June 30, 2015 $1.98 million had been drawn on the facility. The proceeds of the loan were used to fund the Corporation's capital spending in the period as well as for general corporate purposes. The loan matures on June 1, 2016.

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

Future Operations and Liquidity Analysis

For the six months ended June 30, 2015, the Corporation reported a net loss of $1.4 million and had a working capital deficiency of $10.1 million. Of the reported $1.4 million loss, $689 thousand related to non-cash depletion and depreciation charges and $135 thousand related to non-cash accretion expenses. During 2014 the Corporation undertook a number of activities to improve its financial position including obtaining a $2 million related party loan, completing a non-core asset sale for proceeds of $4.35 million, entering into joint venture arrange to farm out its Fiske property and obtaining a $10 million credit facility of which $6 million was drawn in Q4 2014. However, these actions and the current credit facilities in place were not sufficient to correct the Corporation's working capital deficiency. The Corporation's banking arrangements in place are not sufficient to fund the exploration and development program for the next twelve months. In addition, the Corporation was in violation of specific loan covenants as at June 30, 2015. Prior to the end of the quarter, the Corporation notified the lender of the expected covenant violations. A waiver was not issued before the end of the period resulting in the loan being reclassified as a current liability. The lender has not demanded repayment of the non-revolving term credit facility as a result of the Corporation not being in compliance with the covenants. The Corporation is in discussions with the lender with respect to obtaining a waiver of the financial covenants.

While the actions taken throughout 2014 improved the financial position, the Corporation recognizes that its operations are now focused principally in the Fiske area and the results of exploratory drilling are still to be determined. In addition, the Corporation is subject to oil price volatility risk as was experienced at the end of 2014 and into the first two quarters of 2015 with rapid decline of global oil prices. 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.

The ability of the Corporation to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Corporation to continue as a going concern.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

Financial Position

As mentioned above the Corporation had a working capital deficiency of $10.1 million as at June 30, 2015. During Q4 2014, the Corporation obtained a new credit facility in the amount $10 million, of which $6 million was drawn at June 30, 2015. Included in the working capital deficiency are the convertible debentures that were extended to 2016 during the current period. Also included in the working capital deficiency is the related party loan which is currently scheduled to come due in June of 2016. Finally, the operating loan is included in the working capital deficiency for the period as a result of covenant violations. Prior to the end of the quarter, the Corporation notified the lender of the expected covenant violations. A waiver was not issued before the end of the period resulting in the loan being reclassified as a current liability. The lender has not demanded repayment of the non-revolving term credit facility as a result of the Corporation not being in compliance with the covenants. The Corporation is in discussions with the lender with respect to obtaining a waiver of the financial covenants.

The Corporation's credit facility was used to fund the initial phases of the Fiske capital spending program which 3MV Energy plan to leverage to increase future cash flows. The Corporation is continuing to explore different methods to generate additional capital to continue drilling its properties or to allow for an accretive acquisition to increase cash flows and improve its statement of financial position.

Funds Generated from Operations and net loss

For the quarter ended June 30, 2015, funds used by operations increased 289 percent to a deficit of $242 thousand or ($23.16)/boe compared to $62 thousand or $(8.93)/boe during Q2 2014. The increase in funds used by operations is attributed to a decrease in realized revenues for the period and is largely driven by the decline in commodity prices. The decrease in realized price was offset by an increase in production period over period which reduced many of the charges incurred on a per BOE basis. In addition, interest expense increased in Q2 2015 from Q2 2014 mainly as a result of the $6 million operating loan outstanding obtained late in Q4 2014.

For the three months ended June 30, 2015 3MV Energy incurred a net loss of $658 thousand compared to a loss of $4.4 million in the second quarter of 2014. The large decrease in loss incurred for the respective periods is mainly the result of the $4.3 million impairment expense recorded in Q2 2014. The impairment expense was incurred as a result of the purchase and sale agreement signed by the Corporation subsequent to the end of Q2 2014.

For the six month period closing June 30, 2015, the Corporation reduced its net loss by 68 percent over the prior year comparative period. As discussed above this was mainly the result the impairment expense incurred during the prior period offset by a reduction in revenue.

The following table summarizes the netbacks on a barrel of oil equivalent basis for the three and six month periods ended June 30, 2015 and June 30, 2014. These figures are determined by taking the revenue and expense amounts from the financial statements divided by total production for the period.

	Three months ended			Six months ended		
$/boe	June 30, 2015	June 30, 2014	*% change*	June 30, 2015	June 30, 2014	*% change*
Petroleum & natural gas revenues	**60.22**	91.12	(34%)	**53.47**	88.26	(39%)
Royalties	**3.86**	4.90	(21%)	**4.02**	4.99	(20%)
Operating costs	**27.33**	37.96	(28%)	**25.55**	42.57	(40%)
Operating netback	**29.03**	48.26	(40%)	**23.90**	40.69	(41%)
General & admin. expenses	**23.89**	39.34	(39%)	**21.88**	29.61	(26%)
Interest expense	**28.31**	17.84	59%	**27.68**	16.62	67%
Income taxes – current	**-**	-	-	**-**	-	-
Funds generated from operations	**(23.16)**	(8.93)	158%	**(25.66)**	(5.55)	363%
$						
Funds generated from operations	**(242,182)**	(62,206)	289%	**(523,534)**	(76,940)	580%

Earnings per share

Basic and diluted loss per share

	Loss for the period $	Weighted average number of shares	Per share amount $
Three months ended June 30, 2015 Basic and dilute	(657,573)	56,231,421	(0.01)
Six months ended June 30, 2015 Basic and diluted	(1,405,945)	55,794,166	(0.03)
Three months ended June 30, 2014 Basic and diluted	(4,359,724)	51,217,402	(0.09)
Six months ended June 30, 2014 Basic and diluted	(4,439,684)	51,217,402	(0.09)

The effect of warrants and stock options outstanding on loss per share for the periods ended June 30, 2015 and June 30, 2014 is anti-dilutive.

Cash Flow from Operations

	Cash flow from operations for period $	Weighted average number of shares #	Per share amount $
Three months ended June 30, 2015 Basic and dilute	(303,286)	56,231,421	(0.01)
Six months ended June 30, 2015 Basic and diluted	(456,701)	55,794,166	(0.01)
Three months ended June 30, 2014 Basic and diluted	321,193	51,217,402	0.01
Six months ended June 30, 2014 Basic and diluted	(291,429)	51,217,402	(0.01)

Summary of Quarterly Results

($, except per share and per boe amounts)	Three months ended Jun. 30 2015	Mar. 31 2015	Dec. 31 2014	Sept. 30 2014
Petroleum & natural gas revenues, before royalties	629,656	461,340	870,406	668,811
Funds generated from operations ($/boe)	(23.16)	(28.29)	(2.71)	2.29
Operating netback ($/boe)	29.03	18.50	38.49	46.27
Capital expenditures	171,799	576,424	9,107,358	517,456
Earnings (Loss)	(657,573)	(748,373)	(7,811,349)	(351,338)
Earnings (Loss) per share (Basic and Diluted)	(0.01)	(0.01)	(0.15)	(0.01)

($, except per share and per boe amounts)	Three months ended Jun. 30 2014	Mar. 31 2014	Dec. 31 2013	Sept. 30 2013
Petroleum & natural gas revenues, before royalties	634,947	589,112	598,292	968,388
Funds generated from operations	(8.93)	(2.14)	(7.73)	24.19
Operating netback	48.26	33.05	32.05	53.49
Capital expenditures	382,856	223,959	-	27,209
Earnings (Loss)	(4,359,724)	(79,960)	258,896	(324,346)
Earnings (Loss) per share (Basic and Diluted)	(0.09)	(0.00)	0.01	(0.01)

The variations in 3MV Energy's revenue, funds generated from operations and net earnings from quarter to quarter are primarily due to changes in production volumes, changes in realized commodity pricing and the related impact on royalties. Revenues were in a general state of decline until the fourth quarter of 2014 as a result of limited capital activity resulting in declining oil production from the Corporation's producing assets. Large swings in net earnings in certain quarters have been fundamentally driven by impairment charges and impairment recoveries in accordance with IFRS reporting requirements.

Please refer to the funds generated from operations and net loss section of this MD&A for detailed discussions of changes in the second quarter of 2015.

Net 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, 2015 and June 30, 2014:

	Three months ended			Six months ended		
$	June 30, 2015	June 30, 2014	*% change*	June 30, 2014	June 30, 2013	*% change*
Capital expenditures and disposals						
Drilling and completions	65,289	354,780	(82%)	485,748	546,780	(11%)
Facilities and equipment	6,662	28,076	(76%)	70,005	28,076	149%
Land and seismic	99,848	-	100%	192,470	31,958	502%
Total capital expenditures	171,799	382,856	(55%)	748,223	606,815	23%
Other	-	(40,141)	(100%)	-	(40,141)	(100%)
Total net capital expenditures	171,799	342,715	(50%)	748,223	566,673	32%

Total capital expenditures for the quarter ended June 30, 2015 were $172 thousand compared to $343 thousand for Q2 2014 representing a 50 percent decrease. In Q2 2015 the Corporation spent minimal funds on the Fiske field as a result of the current price of oil. Only marginal amounts were incurred on various locations and no new wells were drilled. Conversely the Corporation participated in the drilling of one gross (0.5 net) well during Q2 2014. Over the first six months of 2015 3MV Energy incurred $748 million in capital expenditures compared to $567 million in 2014. During the six months ended June 30, 2015 the Corporation completed and equipped one gross (0.5 net) vertical well with its joint venture partner at Fiske. The well was drilled in late 2014 as part of the phase 2 Fiske capital program. In addition, the Corporation re-fractured and equipped one gross (0.5 net) shut in vertical well and re-fractured one gross (0.5 net) horizontal well at Fiske using a slick water fracture technology previously un-tested in the area. The Corporation and JV partner look to build on this new technology in future drills.

Land and seismic expenditures for Q2 2015 totaled $100 thousand. On a year to date basis, land and seismic spending totaled $193 thousand compared to $32 thousand for the six months ended June 30, 2014, representing a 502 percent increase. The expenditures relate to land parcels acquired at Fiske as well as in southeast Saskatchewan.

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, 2015 a total of 56,249,911 common shares were issued and outstanding. As at August 27, 2015 a total of 57,942,394 common shares were issued and outstanding.

As at June 30, 2015 and August 27, 2015, the Corporation had 5,120,262 options to acquire common shares and issued 12,000,000 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	% ownership interest June 30, 2015	% ownership interest December 31, 2014
3MV Operations Inc.	Canada	100%	100%
1696704 Alberta Ltd.	Canada	100%	100%
3 Martini Ventures Inc.	Canada	Amalgamated	100%
Buckhorn Resource Ltd.	Canada	Amalgamated	100%

The Corporation amalgamated Buckhorn Resources Ltd. and 3 Martini Ventures Inc., two wholly owned subsidiaries, into 3MV Operations Inc.

During the year ended 2014, the Corporation obtained a secured loan facility in the amount of $2.0 million from a director and major shareholder of the Corporation. The loan has an annual interest rate of 8%, and matures on June 1, 2016. As of June 30, 2015 $1.98 million has been drawn on the facility. Included in the loan is a provision whereby accrued interest will be settled quarterly through the issuance of common shares in the Corporation at the average market price of the last five trading days at time of disbursement. Interest in the amount of $23,738 has been accrued as at June 30, 2015.

On February 21, 2013 the Corporation issued a $2,000,000 non-brokered private placement financing of convertible debentures to a director and major shareholder of the Corporation. The convertible loan offering consists of a convertible secured, interest-bearing debenture loan of $2,000,000. The original term of the debenture was two years and incurs annual interest of 12%, payable monthly, with the Corporation having the privilege to re-pay all or any part of the principal amount without penalty upon giving thirty days' notice of repayment. The loan is convertible at any time until maturity into common shares of the Corporation at a conversion price of $0.27 per share. During the first quarter of 2015, the debentures were extended to February 21, 2016. As of June 30, 2015, the Corporation had accrued unpaid interest relating to the Convertible debenture in the amount of $259,726 (December 31, 2014 - $180,822).

Contractual Obligations and Commitments

The Corporation has operating lease commitments for office premises that expire in 2017. The future minimum lease payments are as follows:

	June 30, 2015 $
2015	42,734
2016	89,078
2017	7,423

Subsequent Events

On July 20, 2015, the Corporation settled accrued interest in the amount of $84,624 from the related party loan and secured loan facility through the issuance of 1,692,483 common shares.

Contingent Liability

The Corporation is potentially subject to a charge from a third party arising from capital work performed relating to a disputed working interest. Management currently considers the Corporation's exposure to such liability not to be probable or measureable at this time.

Outlook

3MV Energy intends to focus its drilling and production efforts on its Fiske core asset for 2015 and into the future. As stated, in early 2013, the Corporation acquired a significant position of land in the area which has solidified its asset base and creates potential for further growth and expansion through the drill bit.

In the current environment of depressed global commodity prices, the Corporation plans to be conservative moving forward; working to conserve cash flow and to select drilling locations that are economically viable. The Corporation plans to work with its joint venture partner to evaluate production results at Fiske with the goal of creating a long term exploitation strategy. 3MV Energy is also exploring potential accretive acquisitions, mergers and farm-in opportunities in Saskatchewan that are arising from the current economic state.

Other Information

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

Summary Financial and Operating Results

Unaudited ($)	Three months ended June 30, 2015	Three months ended June 30, 2014	*% change*	Six months ended June 30, 2015	Six months ended June 30, 2014	*% change*
Petroleum & natural gas revenues, before royalties	**629,656**	634,947	(1%)	**1,090,996**	1,224,058	(11%)
Net Earnings (Loss)	**(657,573)**	(4,359,724)	(85%)	**(1,405,945)**	(4,439,684)	(68%)
Net Earnings (Loss) per share (Basic and Diluted)	**(0.01)**	(0.09)	(89%)	**(0.03)**	(0.09)	(67%)
Production (boe/d)	**114.96**	76.6	50%	**112.7**	76.6	47%
Funds used by operations	**(242,182)**	(62,206)	289%	**(523,534)**	(76,941)	580%
-per share basic and diluted	**(0.00)**	(0.00)	(0%)	**(0.01)**	(0.00)	100%
Cash flow from (used in) operations ($/boe)	**(303,286)**	321,193	(194%)	**(456,701)**	(291,429)	57%
-per share basic and diluted	**(0.01)**	0.01	(200%)	**(0.01)**	(0.01)	0%
Total Assets	**10,600,952**	15,957,645	(34%)	**10,600,952**	15,957,645	(34%)
Total Operating Loans	**6,000,000**	621,914	865%	**6,000,000**	621,914	865%
Net Debt (working capital)	**(10,083,832)**	(3,205,859)	215%	**(10,083,832)**	(3,205,859)	215%