Management's Discussion and Analysis

September 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 nine month periods ended September 30, 2015 and September 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 nine month periods ended September 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 November 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 nine months ended September 30, 2015 to the three and nine months ended September 30, 2014. The term "Q3 2015" or similar terms are used throughout this document and refer to the three month period ended September 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		Nine months ended	
$	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cash flows from operating activities	**(120,091)**	361,397	**(576,793)**	69,969
Changes in non-cash working capital	**255,258**	(343,613)	**322,092**	129,127
Funds generated by operation (as defined above)	**(375,349)**	17,781	**(898,885)**	(59,158)

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			Nine months ended		
	September 30, 2015	September 30, 2014	% change	September 30, 2015	September 30, 2014	% change
Daily Production:						
Light crude oil (bbls/d)	**61.8**	75.3	(18%)	**92.3**	68.5	35%
Natural gas (Mcf/d)	**27.7**	47.9	(42%)	**26.8**	57.6	(54%)
Natural gas liquids (bbls/d)	**0.6**	0.9	(37%)	**0.5**	1.1	(50%)
Total boe/d (6:1)	**67.0**	84.2	(20%)	**97.3**	79.2	23%

Production for the three months ended September 30, 2015 was 67.0 boe/d which represents a 20 percent decrease from Q3 2014, in which the Corporation produced 84.2 boe/d. The decrease in average daily production for the three month Q3 2015 period was a result of little capital activity deployed in the field given the market uncertainty and drilling economics in 2015. In Q3 2014 the Corporation successfully completed 1 gross (0.5 net) horizontal well with its joint venture partner that increased average production in the quarter. Production for the nine months ended September 30, 2015 of 97.3 boe/d was 23 percent higher than production for the nine months ended September 30, 2014 of 79.2 boe/d due to the work performed in Q4 2014 and Q1 2015 with the Corporation's joint venture partner. The Corporation participated in the drilling of 15 gross oil wells (7.5 net) with its joint venture partner which stabilized the Corporation's production over the nine months ended September 30, 2015 period. Conversely during the nine months period ended September 30, 2014, the Corporation's production was being depleted from natural decline as drilling activity was nonexistent due to decreased capital funding in that period.

Production for the quarter ended September 30, 2015 was comprised of 62 bbls/d of light crude oil and natural gas liquids ("NGLs") and 28 thousand cubic feet per day ("Mcf/d") of natural gas. 3MV Energy's product volume mix during the quarter ended September 30, 2015 was 93 percent oil and NGLs and 7 percent natural gas. The product mix increased in oil and NGL's weighting from Q3 2014 when the Corporation produced 91 percent oil and NGL's and 9 percent natural gas. The change relates to the disposition of the Kerrobert, Dodsland and Forgan assets during the 2014 period which produced the majority of the Corporation's associated gas.

Commodity Markets

3MV Energy's realized price for its light crude oil and NGLs in the third quarter of 2015 was $51.87/bbl (Q3 2014 – $92.88/bbl) compared to an Edmonton Light Sweet par price of $57.47/bbl (Q3 2014 – 96.11). For the nine months ended September 30, 2015, the Corporation's realized price for its light crude oil and NGLs was $54.34/bbl compared to the 2014 year-to-date realized price of $95.74/bbl, and an Edmonton Light Sweet benchmark price of $100.12/bbl.

During the three-month period ended September 30, 2015 the Corporation saw its realized price for light crude oil decrease as its benchmark crude oil price fell 40 percent from the same period last year. Over the course of Q3 2015, global oil production and storage inventories continued to outweigh demand, which placed downward pressure on crude oil prices. The Edmonton light sweet crude price differential to WTI improved when compared to the same period in 2014 as a result of declining WTI oil price, strong refinery utilization rates, and production shutdowns impacting synthetic crude oil supply supported stronger light oil differentials at Edmonton.

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 $2.65/Mcf for Q3 2015 compared to $3.94/Mcf in Q3 2014. In the current quarter the Corporation's realized gas price represented 93 percent of its benchmark price, AECO-C spot, which averaged $2.86/Mcf over the period. During Q3 2014 the Corporation saw realized gas prices of $3.94/Mcf or 98 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			Nine months ended		
	September 30, 2015	September 30, 2014	*% change*	September 30, 2015	September 30, 2014	*% change*
Average Benchmark Prices						
Crude oil – Edm Light Sweet($ per bbl)	**57.47**	96.11	(40%)	**59.02**	100.12	(41%)
Natural gas – AECO-C Spot ($ per mcf)	**2.86**	4.01	(29%)	**2.71**	4.84	(44%)
3MV`s Average Realized Prices						
Crude oil and natural gas liquids ($ per bbl)	**51.87**	92.88	(44%)	**54.34**	95.74	(43%)
Natural gas ($ per mcf)	**2.65**	3.94	(33%)	**2.46**	4.72	(48%)

Revenues

For the quarter ended September 30, 2015, 3MV Energy's revenues decreased 55 percent to $304 thousand from $669 thousand for Q3 2014. Quarter over quarter, the decrease of the Corporation's benchmark prices led to a $239 thousand drop in revenues further widened by a decrease of $125 thousand caused by lower production levels. On a nine month year to date basis, falling commodity prices lead to a $1.1 million drop in revenues offset by an increase of $577 thousand due to higher total production levels. As mentioned above the production climb was the result of the joint venture drilling at Fiske in late 2014 and into early 2015.

	Three months ended			Nine months ended		
$	September 30, 2015	September 30, 2014	*% change*	September 30, 2015	September 30, 2014	*% change*
Revenues by product						
Light crude oil	**296,555**	646,790	(54%)	**1,374,430**	1,801,965	(24%)
Natural gas	**6,753**	17,360	(61%)	**17,951**	74,172	(76%)
Natural gas liquids	**999**	4,660	(79%)	**2,922**	16,731	(83%)
Total revenues	**304,307**	668,811	(55%)	**1,395,303**	1,892,868	(26%)
Total revenues per boe	**49.39**	86.31	(43%)	**52.53**	87.56	(40%)

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. Taken in kind royalties are reported net of the revenue amounts and offsetting royalty volumes.

For the three months ended September 30, 2015, total royalties decreased 35 percent to $16 thousand from $25 thousand for the same period of 2014 due to a decrease in realized sale prices. The Corporation's average royalty rate for the three months ended September 30, 2015 increased to 5.4 percent of revenue compared to 3.7 percent for the same period of 2014 as a result of a portion of its previously taken in kind overriding royalties converting back to cash payments. Taken in kind royalty is shown net for financial reporting purposes. For the nine months ended September 30, 2015, royalties were $98 thousand or 7.0 percent of revenue as compared to $94 thousand or 5.0 percent of revenue for the same period in 2014. The increase in total royalty charges incurred during the period is attributed to the reversal of taken in kind royalties to cash payments as explained above.

	Three months ended			Nine months ended		
$	September 30, 2015	September 30, 2014	*% change*	September 30, 2015	September 30, 2014	*% change*
Royalty expenses						
Total	**16,332**	25,065	(35%)	**98,354**	94,431	4%
$ per boe	**2.65**	3.23	(18%)	**3.70**	4.36	(15%)
% of revenue	**5.4%**	3.7%	43%	**7.0%**	5.0%	41%

Production and Operating Expenses

Operating expenses totaled $191 thousand or $30.99/boe for the third quarter of 2015 as compared to $285 thousand or $36.80/boe for Q3 2014, representing a 33 percent total cost decrease and a 16 percent decrease on a per boe basis. The decrease in operating expenses from a total cost and per barrel analysis in Q3 2015 compared to Q3 2014 is attributable to a decrease in swabbing costs incurred in the quarter due to decreased activity in the Corporation's swabbing field, lower production rates for the quarter and cost reductions relating to the joint venture field operator. On a year to date basis, operating expenses decreased 19 percent due to the disposal of the Corporation's Dodsland and Kerrobert properties which decreased contract operator charges, swabbing charges and property taxes in a historically lower netback play compared to Fiske. Again, on a per barrel basis this resulted in a decrease of 34 percent as operating expense per barrel dropped to $26.81 from $40.50.

	Three months ended			Nine months ended		
$	September 30, 2015	September 30, 2014	% change	September 30, 2015	September 30, 2014	% change
Operating & transportation expenses						
Total	**190,906**	285,202	(33%)	**712,280**	875,628	(19%)
Total operating costs per boe	**30.99**	36.80	(16%)	**26.81**	40.50	(34%)

General and Administrative ("G&A") Expenses

During the third quarter of 2015, G&A expenses totaled $175 thousand or $28.47/boe as compared to Q3 2014 where G&A expenses were $174 thousand or $22.39/boe. G&A expenses were consistent on a total cost standpoint quarter over quarter. On a per barrel basis the G&A expenses increased 27% as production decreased 20% and fixed expenses within G&A remained consistent. For the nine months ended September 30, 2015 period, 3MV Energy's G&A expenses increased minimally by 6 percent to $622 thousand from $584 thousand over the same period in 2014 largely due to an increase in land consulting expense and professional fees incurred in relation to the joint venture agreement in Q1 2015, as well as an increase to office rent in Q1 2015 as a rent inducement period lapsed in 2014. The Corporation continues to focus its efforts on cost savings in the coming periods.

	Three months ended			Nine months ended		
$	September 30, 2015	September 30, 2014	% change	September 30, 2015	September 30, 2014	% change
General & administrative expenses						
Total	**175,401**	173,538	1%	**621,724**	584,278	6%
Total G&A expenses per boe	**28.47**	22.39	27%	**23.41**	27.03	(13%)

Share-Based Compensation

During the three month period ended September 30, 2015, 3MV Energy expensed $3 thousand in share-based compensation related to outstanding stock options compared to $117 thousand during Q3 2014. During the 2014 period the Corporation issued 1,050,000 stock options to directors of the Corporation at an exercise price of $0.15 per share expiring on September 2, 2019 with immediate vesting terms and accounting for $106 thousand of the 2014 quarterly expense. In 2015 there were no options issued.

Over the first nine months of 2015 the Corporation expensed $15 thousand in share-based compensation compared to an expense of $4 thousand in the same period in 2014. During 2014 the Corporation retracted conditional options previously granted to directors in 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 incurred in 2013. This retractment offset the quarterly share based compensation expense incurred during 2014.

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 September 30, 2015, depletion and depreciation expense totaled $215 thousand or $35.03/boe as compared to Q3 2014 in which the expense was $232 thousand or $29.99/boe. The decrease in depletion costs quarter over quarter relates to a decrease in depletable base through impairment incurred over the past year slightly offset by an increase in depletion rates. On a per barrel basis the depletion expense increased as average production decreased and therefore a relatively flat depletion expense over a decreased production base creates the increase in depletion per barrel. On a cumulative basis, 3MV Energy incurred depletion and depreciation expenses of $905 thousand or $34.10/boe for the nine months ended September 30, 2015 compared to $699 thousand or $32.33/boe in 2014. The increase in depletion expense is largely the result of the impairments incurred during the past year. The impairments reduced the depletable base and total reserves recorded which created a higher depletion rate period over period.

	Three months ended			Nine months ended		
$	September 30, 2015	September 30, 2014	*% change*	September 30, 2015	September 30, 2014	*% change*
Depletion & Depreciation						
Total	**215,826**	232,399	(7%)	**905,701**	698,998	30%
Total Depletion & Depreciation costs per boe	**35.03**	29.99	17%	**34.10**	32.33	5%

Impairment

The Corporation assesses the recoverability of the carrying values of its oil and gas properties on a CGU basis. Due to decreases in commodity price forecasts in the current period from December 31, 2014, management determined that there were indicators of impairment as at September 30, 2015 thus impairment tests were required on both the Corporation's CGUs. As a result, the Corporation recorded a $616 thousand impairment charge primarily related to its Fiske CGU. The recoverable amounts used in the impairment tests, based on fair value less cost to sell, related to these CGUs were calculated using a pre-tax discount rate dependent on reserve classification to discount future cash flows ranging from 8 - 15% based on the nature of the reserves.

Exploration and Evaluation expense

For the nine month period ended September 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 Q3 2015 totaled $324 thousand compared to $223 thousand for the three month period ended September 30, 2014. The increase in the charges between the two periods is the result of the Corporation obtaining a new operating loan in December of 2014 in the amount of $6.0 million. This loan was outstanding for the entire balance of Q3 2015 and incurs interest at a rate of 13%. Conversely in Q3 2014 the Corporation had an operating loan in the amount of $622 thousand incurring interest at a rate of 16%. The increase in the operating loan was offset by a reduction in the convertible debentures outstanding during the period. During Q3 2014 3MV Energy had $3 million in convertible debentures outstanding compared to $2 million outstanding during Q3 2015. The convertible debentures incur interest at a rate of 12% per annum. In conjunction with convertible debentures, the Corporation maintained a related party loan from its majority shareholder and director. At September 30, 2015 the proceeds received from the loan totaled $2.04 million compared to $1.98 million at September 30, 2014. The loan accrues interest at a rate of 8 percent settled quarterly through the issuance of shares.

On a year to date basis, interest charges rose 82% to 957 thousand from $524 thousand in 2014. This was primarily the result of the increase in the loan outstanding during 2015 compared to 2014.

Accretion expense for Q3 2015 totaled $59 thousand compared to $55 thousand for Q3 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 Q3 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 $22 thousand ($22 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 $32 thousand ($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 September 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 September 30, 2015 the Corporation's adjusted working capital ratio was 0.50:1 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 September 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 September 30, 2015 the trailing 90 days interest coverage ratio shall be greater than 3.0:1. At September 30, 2015 the Corporation's interest coverage ratio was (0.40):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 classified 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. During the third quarter of 2015 the limit of the loan was increased to $2,044,289. 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 than 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 September 30, 2015 $2.04 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 nine months ended September 30, 2015, the Corporation reported a net loss of $2.7 million and had a working capital deficiency of $10.5 million. Of the reported $2.7 million loss, $1.6 million related to non-cash impairment, depletion and depreciation charges and $195 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 September 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 classified 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 $10.5 million as at September 30, 2015. During Q4 2014, the Corporation obtained a new credit facility in the amount $10 million, of which $6 million was drawn at September 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 classified 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 September 30, 2015, funds used in operations decreased 2,211 percent to ($375) thousand or ($60.92)/boe compared to funds generated from operations of $18 thousand or $2.29/boe during Q3 2014. The decrease in funds generated from operations is largely attributed to a decrease in the realized price per BOE sold during the period. 3MV Energy saw a 43% drop in the realized price of its commodity sales. In addition, interest charges per BOE also increased fairly significantly stemming from the $6.0 million loan obtained in Q4 2014. In addition, a decrease in production quarter over quarter lead to an increase to the per BOE charges incurred during Q3 2015. On a year to date cumulative basis, the total loss generated by operations increased from an outflow of $60 thousand to $899 thousand. On a per boe basis, operations generated an outflow of $33.84/boe in 2015 compared to $2.74/boe in 2014. The largest cause for the funds outflow compared to 2014 is the result of a sharp drop in the realized price per barrel (40% decrease) furthered by a rise in interest charges incurred.

For the three months ended September 30, 2015 3MV Energy incurred a net loss of $1.3 million compared to a loss of $351 thousand in the third quarter of 2014. The increase in the loss incurred during Q3 2015 is result of an impairment charge recorded during the current quarter resulting from a decrease in forecasted commodity prices. The loss was furthered by a drop in realized revenues during the period and an increase in financing charges.

For the nine month period closing September 30, 2015, the Corporation decreased its net loss by 44 percent over the prior year comparative period. This was mainly the result of a large impairment expense incurred during Q2 2014.

The following table summarizes the netbacks on a barrel of oil equivalent basis for the three and nine month periods ended September 30, 2015 and September 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			Nine months ended		
$/boe	September 30, 2015	September 30, 2014	*% change*	September 30, 2015	September 30, 2014	*% change*
Petroleum & natural gas revenues	**49.39**	86.31	(43%)	**52.53**	87.56	(40%)
Royalties	**2.65**	3.23	(18%)	**3.70**	4.36	(15%)
Operating costs	**30.99**	36.80	(16%)	**26.81**	40.50	(34%)
Operating netback	**15.75**	46.27	(66%)	**22.01**	42.69	(48%)
General & admin. expenses	**28.47**	22.39	27%	**23.41**	27.03	(13%)
Interest expense	**48.21**	21.58	123%	**32.44**	18.40	76%
Income taxes – current	**-**	-	-	**-**	-	-
Funds generated from operations	**(60.92)**	2.29	(2,755%)	**(33.84)**	(2.74)	1,137%
$						
Funds generated from operations	**(375,349)**	17,784	(2,211%)	**(898,885)**	(59,158)	1,419%

Earnings per share

Basic and diluted loss per share

	Three months ending September 30,		Nine months ending September 30,	
	2015	2014	2015	2014
Per share income				
Basic and diluted	**(0.02)**	(0.01)	**(0.05)**	(0.09)
Weighted average number of shares				
Basic and diluted	**57,574,463**	51,418,275	**56,369,120**	51,284,606

Cash Flow from Operations

	Three months ending September 30,		Nine months ending September 30,	
	2015	2014	2015	2014
Per share operating cash flow				
Basic and diluted	**(0.01)**	0.01	**(0.01)**	0.00
Weighted average number of shares				
Basic and diluted	**57,574,463**	51,418,275	**56,394,120**	51,284,606

Summary of Quarterly Results

($, except per share and per boe amounts)	Three months ended Sep. 30 2015	Jun. 30 2015	Mar. 31 2015	Dec. 31 2014
Petroleum & natural gas revenues, before royalties	304,307	629,656	461,340	870,406
Funds generated from operations ($/boe)	(60.92)	(23.16)	(28.29)	(2.71)
Operating netback ($/boe)	15.75	29.03	18.50	38.49
Capital expenditures	73,110	171,799	576,424	9,107,358
Earnings (Loss)	(1,270,444)	(657,573)	(748,373)	(7,811,349)
Earnings (Loss) per share (Basic and Diluted)	(0.02)	(0.01)	(0.01)	(0.15)

($, except per share and per boe amounts)	Three months ended Sep. 30 2014	Jun. 30 2014	Mar. 31 2014	Dec. 31 2013
Petroleum & natural gas revenues, before royalties	668,811	634,947	589,112	598,292
Funds generated from operations	2.29	(8.93)	(2.14)	(7.73)
Operating netback	46.27	48.26	33.05	32.05
Capital expenditures	517,456	382,856	223,959	-
Earnings (Loss)	(351,338)	(4,359,724)	(79,960)	258,896
Earnings (Loss) per share (Basic and Diluted)	(0.01)	(0.09)	(0.00)	0.01

The variations in 3MV Energy's revenue, funds generated from operations and net earnings from quarter to quarter are primarily due to decreases in production volumes, changes in realized commodity pricing and the related impact on royalties. Revenues began to rise as a result of capital drilling activity in late 2014 however this has been offset in recent periods by a sharp drop in realized commodity prices. 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 third 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 nine month periods ended September 30, 2015 and September 30, 2014:

	Three months ended			Nine months ended		
$	September 30, 2015	September 30, 2014	*% change*	September 30, 2015	September 30, 2014	*% change*
Capital expenditures and disposals						
Drilling and completions	7,884	19,071	(59%)	493,632	565,851	(13%)
Facilities and equipment	-	11,646	(100%)	70,005	39,722	76%
Land and seismic	65,227	486,739	(87%)	257,696	518,698	(50%)
Corporate assets	-	-	-	-	-	-
Total capital expenditures	73,110	517,456	(86%)	821,333	1,124,271	(27%)
Other	-	-	-	-	(40,141)	(100%)
Net Disposal	-	(4,221,588)	(100%)	-	(4,221,588)	(100%)
Total net capital expenditures	73,110	(3,704,132)	(102%)	821,333	(3,137,458)	(126%)

Total capital expenditures for the quarter ended September 30, 2015 were $73 thousand compared to $517 thousand for Q3 2014 representing an 86 percent decrease. During the current period the Corporation purchased 2 parcels of land from the crown in southeast Saskatchewan. Comparatively, last year 3MV Energy acquired 2 core land section at Fiske. Minimal drilling and completion activity was undertaken in Q3 2015 as a result of the decrease in the price of oil. Over the first nine months of 2015 3MV Energy incurred $821 thousand in capital expenditures compared to $1.1 million in 2014. During the nine months ended September 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. Conversely in the first nine months of 2014 the corporation participated in the drilling of one gross (0.5 net) well.

Disposals in the three and nine months ended September 30, 2014 were $4.2 million compared to $nil in the current year. During the 2014 Q3 period 3MV Energy agreed to sell a land package in its Dodsland area with corresponding production, related inventory and equipment within the property. The net impact to 3MV's property plant and equipment was $4.2 million.

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 September 30, 2015 a total of 57,942,394 common shares were issued and outstanding. As at November 25, 2015 a total of 58,756,426 common shares were issued and outstanding. The issuance of 814,032 on October 9, 2015 is still pending TSX approval.

As at September 30, 2015 and November 25, 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	
		September 30, 2015	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. During the third quarter of 2015 the limit of the loan was increased to $2,044,289. The loan has an annual interest rate of 8%, and matures on June 1, 2016. As of September 30, 2015 $2.0 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 $50 thousand has been accrued as at September 30, 2015. Other accounts payable owing to the director and major shareholder as at September 30, 2015 amount to $384 thousand excluding accrued interest on the related party loan and convertible debentures.

The fair value of the loan has been determined to be an amount less the face value due at maturity as the loan's interest rate is less than that the Corporation would reasonably be able to obtain from an arm's length third party. 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.

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:

	September 30, 2015 $
2015	21,367
2016	89,078
2017	7,423

Subsequent Events

On October 9, 2015, the Corporation settled accrued interest in the amount of $40,702 from the related party loan facility through the issuance of 814,032 common shares. The transaction is still pending TSX approval.

Subsequent to the end of the period, the Corporation settled an outstanding amount with its joint venture partner whereby the Corporation received a 50% working interest in a well previously drilled. The Corporation anticipates an impairment of that asset of approximately $91 thousand.

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 ($)	Three months ended September 30, 2015	Three months ended September 30, 2014	*% change*	Nine months ended September 30, 2015	Nine months ended September 30, 2014	*% change*
Petroleum & natural gas revenues, before royalties	**304,307**	668,811	(55%)	**1,395,303**	1,892,869	(26%)
Net Earnings (Loss)	**(1,270,444)**	(351,338)	262%	**(2,676,390)**	(4,791,023)	(44%)
Net Earnings (Loss) per share (Basic and Diluted)	**(0.02)**	(0.01)	223%	**(0.05)**	(0.09)	(49%)
Production (boe/d)	**67.0**	84.2	(20%)	**97.3**	79.2	23%
Funds used by operations	**(375,027)**	17,784	(2,211%)	**(898,885)**	(59,158)	1,419%
-per share basic and diluted	**(0.01)**	0.00	(1,983%)	**(0.02)**	(0.00)	1,282%
Cash flow from (used in) operations ($/boe)	**(120,091)**	361,397	(133%)	**(576,793)**	69,969	(924%)
-per share basic and diluted	**(0.00)**	0.01	(136%)	**(0.01)**	0.00	(850%)
Total Assets	**9,667,536**	14,237,292	(32%)	**9,667,536**	14,237,292	(32%)
Total Operating Loans	**6,000,000**	621,914	865%	**6,000,000**	621,914	865%
Total Related Party Loans	**2,044,289**	1,987,372	3%	**2,044,289**	1,987,372	3%
Net Debt (working capital)	**(10,499,278)**	(3,736,808)	181%	**(10,499,278)**	(3,736,808)	181%