Condensed Interim Consolidated Financial Statements

September 30, 2014

3MV ENERGY

Consolidated Statements of Financial Position

As at:

Canadian Dollars *Unaudited*	Notes	September 30, 2014 $	December 31, 2013 $
ASSETS			
Current assets			
Cash and cash equivalents		**2,856,354**	80,381
Accounts receivable		**387,339**	175,718
Prepaid expenses and deposits		**214,398**	87,813
		3,458,091	343,912
Non-current assets			
Property and equipment	4	**7,563,831**	16,900,395
Exploration and evaluation assets	5	**3,215,369**	2,696,671
		10,779,200	19,597,066
Total Assets		**14,237,292**	19,940,978
LIABILITIES			
Current liabilities			
Accounts payable and accruals		**1,781,490**	4,020,459
Operating loans	7	**621,914**	500,000
Convertible debenture	8	**2,948,536**	965,682
Related party loan	14	**1,842,959**	-
		7,194,899	5,486,141
Non-current liabilities			
Long term liability		**-**	220,175
Convertible debenture	8	**-**	1,920,397
Decommissioning liabilities		**1,292,386**	1,949,608
		1,292,386	4,090,180
SHAREHOLDERS' EQUITY			
Share capital	9	**28,956,151**	28,916,413
Equity component of convertible debenture	8	**109,069**	109,069
Contributed surplus		**2,762,333**	2,096,651
Warrants	9	**3,799**	532,846
Deficit		**(26,081,345)**	(21,290,322)
		5,750,007	10,364,657
Total Liabilities and Shareholders' Equity		**14,237,292**	19,940,978
Going Concern	2		
Subsequent events	15		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statements of Comprehensive Loss

Canadian dollars *Unaudited*	Notes	Three months ended September 30, 2014 $	2013 $	Nine months ended September 30, 2014 $	2013 $
Oil and natural gas revenues		**668,811**	968,388	**1,892,869**	2,281,525
Royalties		**(25,065)**	(55,525)	**(94,341)**	(148,012)
Total revenue, net of royalties		**643,746**	912,863	**1,798,528**	2,133,513
Production and operating		**285,202**	288,005	**875,628**	876,561
General and administrative		**173,538**	256,856	**584,278**	911,748
Share based compensation	10	**116,791**	182,478	**4,024**	886,495
Depletion and depreciation	4	**232,399**	381,187	**698,998**	1,010,783
Impairment	6	**-**	-	**4,305,462**	-
Loss on disposal of Property and equipment		**45,830**	11,580	**45,830**	11,580
Extinguishment of debt	11	**(69,959)**	-	**(402,809)**	-
		783,801	1,120,106	**6,111,411**	3,697,167
Loss from operations		**(140,055)**	(207,243)	**(4,312,883)**	(1,563,654)
Finance costs		**(223,026)**	(144,145)	**(524,733)**	(390,598)
Loss before income tax		**(363,081)**	(351,388)	**(4,837,616)**	(1,954,252)
Income tax (expense) recovery- current			27,042		27,042
Income tax (expense) recovery- deferred		**11,743**	-	**46,593**	28,959
Total comprehensive loss		**(351,338)**	(324,346)	**(4,791,023)**	(1,898,251)
Loss per share					
Basic and diluted	12	**(0.01)**	(0.01)	**(0.09)**	(0.04)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

Canadian dollars Unaudited	Notes	Number of shares outstanding #	Share capital $	Warrants $	Equity component of convertible debenture $	Contributed Surplus $	Deficit $	Total Shareholders' equity $
As at December 31, 2012		**45,439,169**	**27,540,619**	**475,094**	**36,108**	**1,111,087**	**(19,650,966)**	**9,511,942**
Shares issued for debt outstanding	9	5,575,233	1,333,500	55,752	-	-	-	1,389,252
Non-brokered private placements	9	203,000	42,294	2,000	-	-	-	44,294
Equity component of convertible debenture issued February 21, 2013	8	-	-	-	72,961	-	-	72,961
Share based payment	10	-	-	-	-	886,495	-	886,495
Total comprehensive loss for the period		-	-	-	-	-	(1,898,251)	(1,898,251)
As at September 30, 2013		**51,217,402**	**28,916,413**	**532,846**	**109,069**	**1,997,582**	**(21,549,217)**	**10,006,693**
As at December 31, 2013		**51,217,402**	**28,916,413**	**532,846**	**109,069**	**2,096,651**	**(21,290,322)**	**10,364,657**
Share based payment	10	-	-	-	-	4,024	-	4,024
Equity component of related party loan	14	-	-	-	-	132,611	-	132,611
Expiry of warrants	9			(529,047)		529,047		-
Shares issued for interest on related party loan		264,920	39,738					39,738
Total comprehensive loss for the period		-	-	-	-	-	(4,791,023)	(4,791,023)
As at September 30, 2014		**51,482,322**	**28,956,151**	**3,799**	**109,069**	**2,762,333**	**(26,081,345)**	**5,750,007**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statements of Cash Flows

Canadian dollars Unaudited	Notes	Nine months ended September 30, 2014 $	 September 30, 2013 $
Cash provided by (used for) the following activities			
Operating activities			
Loss for the period		**(4,791,023)**	(1,898,251)
Add (deduct):			
Depletion and depreciation	4	**698,998**	1,010,783
Accretion of decommissioning liabilities		**29,705**	35,575
Accretion of convertible debenture	8	**62,457**	46,490
Accretion of related party loan	14	**34,790**	-
Share-based payments	10	**4,024**	886,495
Extinguishment of debt	11	**(402,809)**	-
Impairment	6	**4,305,462**	-
Deferred tax recovery		**(46,593)**	(28,959)
Loss on disposal of property and equipment		**45,830**	11,580
Change in non-cash working capital	13	**129,127**	269,097
Cash from operating activities		**69,968**	332,810
Investing activities			
Purchase of property and equipment	4	**(565,052)**	(578,858)
Proceeds from disposal of property and equipment	4	**4,164,401**	(2,055,928)
Purchase of exploration and evaluation	5	**(518,698)**	9,122
Change in non-cash working capital	13	**(2,483,932)**	(419,471)
Cash from (used in) investing activities		**596,719**	(3,045,135)
Financing activities			
Proceeds from operating loans	7	**121,914**	-
Proceeds from issuance of convertible debenture, net of issue costs	8	**-**	1,981,392
Issuance of common shares	9	**-**	44,294
Proceeds from related party loan	14	**1,987,372**	-
Cash from financing activities		**2,109,286**	2,025,686
Increase (decrease) in cash and cash equivalents		**2,775,973**	(686,639)
Cash and cash equivalents, beginning of period		**80,381**	781,877
Cash and cash equivalents, end of period		**2,856,354**	95,238

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

1. Reporting entity

3MV Energy Corp. ("3MV Energy" or the "Corporation") was formed through a series of transactions. On January 29, 2012, 3MV Energy Inc. and Noravena Capital Corporation, a capital pool Corporation, completed an amalgamation agreement forming 3MV Energy Corp. The consolidated financial statements are in the name of 3MV Energy Corp. (formerly Noravena), and are a continuation of the consolidated financial statements of 3MV Energy Inc.

3MV Energy is a crude oil and natural gas exploration and production Corporation based in Calgary, Alberta, Canada. The Corporation's operations are focused in Western Canada, primarily in southwest Saskatchewan. The Corporation is listed on the TSX-V under the symbol "TMV".

The address of its registered office is suite 1150, 444 5th Avenue S.W., Calgary, Alberta.

2. Basis of preparation

Statement of compliance

These condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 – "Interim Financial Reporting" and do not include all of the information required for full annual financial statements.
The condensed interim consolidated financial statements should be read in conjunction with the Corporation's annual audited financial statements for the year ended December 31, 2013.

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 25, 2014.

Going concern

For the nine months ended September 30, 2014, the Corporation reported a net loss of $4.8 million and has a working capital deficiency of $3.7 million. In addition, the Corporation was in violation of certain specific loan covenants as at September 30, 2014. The Corporation continues its efforts to raise equity and diminish accounts payable through operational cash flow and farm out arrangements. 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 arrangements and/or operating developments are needed to meet the Corporation's business objectives. There are no guarantees that such additional capital funding will be available when needed.

3. Summary of significant accounting policies and disclosures (continued)

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.

Accounting policies and disclosures

In preparing these condensed interim consolidated financial statements, the accounting policies, methods of computation and significant judgments made by management in applying the Corporation's accounting policies and key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the periods ended December 31, 2013 except as disclosed below.

On January 1, 2014, the Corporation adopted new standards with respect to Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 Financial Instruments: Presentation ("IAS 32") and IFRIC 21 Levies ("IFRIC 21"). The amendments to IAS 32 clarify the requirements for offsetting financial instruments such as the amounts receivable and payable related to the Corporation's commodity contracts. The amendments clarify when an entity has a legally enforceable right to offset and certain other requirements that are necessary to present a net financial asset or liability. IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached. The adoption of these standards had no impact on the amounts recorded in the consolidated financial statements as at January 1, 2014 or on the comparative periods.

Future accounting pronouncements

The IASB has issued IFRS 9 Financial Instruments, which is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. IFRS 9 is the first step to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Corporation has not yet assessed the impact of the standard.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

4. Property and Equipment

	Petroleum and natural gas assets $	Corporate assets $	Total $
Cost:			
Balance at December 31, 2012	33,523,899	247,622	33,771,521
Additions	578,858	-	578,858
Dispositions	-	(36,178)	(36,178)
Change in decommissioning provisions	(85,025)	-	(85,025)
Balance at December 31, 2013	34,017,732	211,444	34,229,176
Additions	565,431	-	565,431
Dispositions	(20,830,441)	-	(20,830,441)
Change in decommissioning provisions	396,753	-	396,753
Balance at September 30, 2014	14,149,475	211,444	14,433,652
Accumulated depletion and depreciation and impairment loss:			
Balance at December 31, 2012	(16,926,025)	(88,844)	(17,014,869)
Depletion and depreciation for period	(1,195,386)	(51,233)	(1,246,619)
Dispositions	-	14,230	14,230
Impairment of PPE	(2,092,740)	-	(2,092,740)
Reversal of impairment of PPE	3,011,217	-	3,011,217
Balance at December 31, 2013	(17,202,934)	(125,847)	(17,328,781)
Depletion and depreciation for period	(655,862)	(43,136)	(698,998)
Dispositions	15,536,153	-	15,452,062
Impairment of PPE (note 6)	(4,305,462)	-	(4,305,462)
Balance at September 30, 2014	(6,628,105)	(168,983)	(6,867,512)
Net book value:			
December 31, 2012	16,597,874	158,778	16,756,652
December 31, 2013	16,814,798	85,597	16,900,395
September 30, 2014	**7,521,370**	**42,461**	**7,563,831**

Future development costs on proved plus probable reserves total approximately $8,697,000 (December 31, 2013 - $24,380,000) at the end of September 30, 2014.

During the second quarter, the Corporation incurred impairment of $4.3 million, based on fair value less cost to sell related to properties that were disposed of in the third quarter of 2014.

During the third quarter of 2014, the Corporation disposed of certain petroleum and natural gas properties with a net book value of $5.3 million and associated decommissioning obligations of $1.1 million. Consideration consisted of cash of $4.35 million before closing adjustments. A loss of $46 thousand was recognized on the disposition's closing.

5. Exploration and evaluation ("E&E") assets

	$
Balance at December 31, 2012	870,394
Additions	2,055,928
Land expiries and write-offs	(229,651)
Balance at December 31, 2013	2,696,671
Additions	518,698
Balance at September 30, 2014	**3,215,369**

E&E assets consist of the Corporation's capitalized seismic and land acquisition costs which are pending the determination of commercial viability. During the year, the Corporation acquired land in the Fiske CGU at a cost of $486 thousand. The Corporation assesses the recoverability of these assets both before and at the time of transfer to property and equipment within the Corporation's CGUs.

6. Impairment loss

The Corporation assesses the recoverability of the carrying values of its oil and gas properties on a cash-generating unit ("CGU") basis. In accordance with IFRS, the recoverable amounts of the Corporation's CGUs were estimated as the greater of value in use ("VIU") and fair value less cost to sell ("FVLCTS") based on the net present value of cash flows estimated from oil and natural gas proved plus probable reserves completed by external reserve evaluators.

During the second quarter, management assessed the Corporation's CGU's (Dodsland-Other) as having indicators of impairment as a result of the Corporation entering into a purchase and sale agreement to dispose of assets included in the Dodsland-Other CGU in July 2014. Accordingly, the Corporation tested the Dodsland-Other CGU for impairment. Management used the carrying value of the assets and related abandonment costs less decommissioning liabilities compared to the sale price or fair market value. The Corporation determined that the aggregate carrying value of the Dodsland-Other CGU was $4.3 million higher than the recoverable amount and therefore impairment was recorded. There was no impairment indicators noted in the three month period ended September 30, 2014, thus no impairment test was performed.

Notes to the Condensed Interim Consolidated Financial Statements
(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

7. Operating loans

	September 30, 2014 $	December 31, 2013 $
Credit facility	621,914	500,000

On December 21, 2012, the Corporation entered into a loan facility whereby it borrowed $500 thousand at an annual interest rate of 16% for a term of 1 year expiring on December 21, 2013. On January 7, 2014 the loan was extended to July 30, 2014 and further extended to September 30, 2014 at an amount of $621,914. 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 a Debt to EBITDA ratio covenant (not to exceed 3.5:1). For the nine month period ending September 30, 2014 the Corporation's Debt to EBITDA ratio was 2.07:1 which is within the allowable amount. The Corporation is also subject to an asset coverage ratio (total present value of assets to be a minimum of 1.65 times total debt). As at September 30, 2014 the Corporation's asset coverage ratio was 0.66:1; which is in violation of the allowable amount. Finally, the Corporation is subject to an interest coverage ratio (minimum EBITDA of 2.5 times Interest payable). For the nine months ended September 30, 2014 the Corporation's interest coverage ratio was 0.56:1; which is in violation of the covenant.

Subsequent to the end of the period, the Corporation obtained a new debt facility from the lender and settled this credit facility. See note 15.

8. Convertible debentures

On November 14, 2012, the Corporation issued a $1,000,000 non-brokered private placement financing of convertible debentures to a director and major shareholder of the Corporation. The debentures have a two year term, and annual interest of 12% 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 debentures have a face value of $1,000 and are convertible at any time until maturity into common shares of the Corporation at a conversion price of $0.29 per share, subject to adjustment in certain events. Subsequent to the end of the period, the Corporation issued 3,448,276 shares as the debentures were converted upon maturity. See note 15.

On February 21, 2013 the Corporation issued a $2,000,000 non-brokered private placement financing of convertible debentures to the same 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 term of the debenture is 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.

The convertible debentures were determined to be compound instruments. As the debentures are convertible into common shares of the Corporation, the liability and equity components are presented separately. The initial carrying amount of the financial liability is determined by discounting the stream of future payments of interest and principal. The convertible debentures are not subject to any financial covenants.

Using the residual method, the carrying amount of the conversion feature is the difference between the principal amount and the carrying value of the financial liability. The debentures, net of the equity component and issue costs are accreted using the effective interest rate method over the two year term of debentures, such that the carrying amount of the financial liability will equal the $2 million principal balance at maturity respectively.

	Proceeds $	Debt Component $	Equity Component $
Balance at December 31, 2012	984,592	938,805	36,108
Issue of convertible debenture	2,000,000	1,900,148	99,852
Issue costs	(18,608)	(17,679)	(929)
Deferred tax	-	-	(25,962)
Accretion	-	64,805	-
Balance at December 31, 2013	2,965,984	2,886,079	109,069
Accretion	-	62,457	-
Balance at September 30, 2014	2,965,984	2,948,536	109,069

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

9. Share capital

(a) Authorized

Common shares

Class A, unlimited, voting, no par value, subject to priority rights of any other class of shares.

(b) Issued

	Number of Shares	$
Balance at December 31, 2012	45,439,169	27,540,619
Shares issued for debt outstanding (i)	5,575,233	1,333,500
Non-brokered private placements (ii)	203,000	42,294
Balance at December 31, 2013	51,217,402	28,916,413
Shares issued to related party for interest (iii)	264,920	39,738
Balance at September 30, 2014	**51,482,322**	**28,956,151**

(i) On October 18, 2012, the Corporation announced its intention to settle trade debt by issuing common shares and units of the Corporation at a conversion price of $0.25 per unit. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one additional common share of the Corporation at an exercise price of $0.50 per common share for a period of 18 months following the date of issuance. During the year ended December 31, 2013, the Corporation converted $1,393,809 of accounts payable into 5,575,233 common shares and 5,575,233 warrants. The fair value of the warrants issued with the units was determined to be $55,752. Share issuance costs relating to the share for debt conversions totaled $4,557. The fair value of these warrants was estimated using a net asset value calculation of the Corporation as of the date of issuance. The Corporation's calculation yielded the warrants within the units issued to be $0.01.

(ii) During the first quarter of 2013, the Corporation closed a non-brokered private placement of 200,000 units at a price of $0.25 per Unit for gross proceeds of $50,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Corporation at an exercise price of $0.50 per common share for a period of 18 months following the date of issuance. The fair value of the warrants issued with the units was determined to be $2,000. Share issuance costs relating to the private placement totaled $5,706. The Corporation also issued 3,000 shares at a price of $0.25 as a finder's fee in relation to a private placement in 2012.

(iii) On July 23, 2014, the Corporation issued 264,920 shares valued at $39,738 to settle outstanding interest on its secured draw down facility. The shares were issued to a director and major shareholder of the Corporation.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

9. Share capital (continued)

(c) Warrants

	# of Warrants	$
Balance at December 31, 2012	30,885,426	475,094
Warrants issued with non-brokered private placements (ii)	200,000	2,000
Warrants issued with shares for debt outstanding (i)	5,575,233	55,752
Balance at December 31, 2013	36,660,659	532,846
Expiries	(36,280,743)	(529,047)
Balance at September 30, 2014	**379,916**	**3,799**

The fair value of these warrants was estimated using a net asset value calculation of the Corporation as of December 31, 2012. The Corporation's calculation yielded the warrants within the units issued to be $0.01. There were no warrants converted during the period (nil -2013) however 36,280,743 warrants expired.

10. Share-based payments

The Corporation has an employee stock option plan under which employees and directors are eligible to purchase common shares of the Corporation. The Corporation accounts for its stock based compensation plan using the fair value method. Under this method compensation is expensed over the vesting period for the stock options, with a corresponding increase to contributed surplus.

Share based compensation cost of $4,024 (September 30, 2013 – $886,495) was incurred during 2014. During the 9 month period ended September 30, 2014 the Corporation retracted the 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 previously incurred as a result of service commencement date already occurring. The Corporation also experienced the forfeiture of 600,000 options during 2014; all of which were subject to immediate vesting terms and fully expensed at the time of issuance. Finally, 1,050,000 options were issued to directors of the Corporation during 2014. The options have immediate vesting terms and resulted in a stock based compensation expense of $106,093. The number of options outstanding as at September 30, 2014 totaled 5,120,262 (December 31, 2013 – 6,170,262).

Notes to the Condensed Interim Consolidated Financial Statements
(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

10. Share-based payments (continued)

The following summarizes the options outstanding:

Stock Options	Weighted average exercise price $	Stock Options
Balance December 31, 2012	1.87	557,902
Granted	0.22	6,250,000
Forfeited	1.05	(637,640)
Balance December 31, 2013	0.28	6,170,262
Retracted	0.15	(1,500,000)
Forfeited	0.25	(600,000)
Granted	0.15	1,050,000
Balance September 30, 2014	**0.30**	**5,120,262**

The following summarizes information about stock options outstanding and exercisable as at September 30, 2014:

Exercise Prices	Number outstanding at September 30, 2014	Weighted average contractual life (years)	Weighted average exercise price/stock option $	Number exercisable at September 30, 2014	Weighted average exercise price/stock option $
$1.85-$1.90	245,262	2.27	1.87	235,871	1.86
$0.15-$0.25	4,875,000	3.78	0.22	4,590,616	0.22
Total	**5,120,262**	**3.65**	**0.30**	**4,826,487**	**0.30**

11. Extinguishment of Debt

During the year, the Corporation settled outstanding amounts owing to various counterparties whereby the counterparties agreed to accept an amount less than the original balance owing as consideration in full for all outstanding debts. The difference between the carrying amount of the liabilities and the consideration paid totaled $402,809 ($nil - 2013) and was recorded to the statement of comprehensive loss.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

12. Earnings per share

Basic and diluted income (loss) per share

	Three months ending September 30,		Nine months ending September 30,	
	2014	2013	2014	2013
Per share income				
Basic and diluted	(0.01)	(0.01)	(0.09)	(0.04)
Weighted average number of shares				
Basic and diluted	51,418,275	51,217,402	51,284,606	50,196,806

13. Supplemental cash flow information

Changes in non-cash working capital from operating activities is comprised of:

Nine months ended	September 30, 2014 $	September 30, 2013 $
Source (use) of cash:		
Trade and other receivables	(211,621)	(83,088)
Prepaid expenses and deposits	(126,585)	103,936
Trade and other payables	687,508	248,249
Long term liability	(220,175)	-
Change in non-cash working capital	129,127	269,097

Changes in non-cash working capital from investing activities is comprised of:

Nine months ended	September 30, 2014 $	September 30, 2013 $
Source (use) of cash:		
Trade and other payables	(2,483,932)	(419,471)
Change in non-cash working capital	(2,483,932)	(419,471)

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

For the three and nine month periods ended September 30, 2014 and September 30, 2013

14. 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, 2014	December 31, 2013
3MV Operations Inc.	Canada	100%	100%
1696704 Alberta Ltd.	Canada	100%	100%
3 Martini Ventures Inc.	Canada	100%	100%
Buckhorn Resource Ltd.	Canada	100%	100%

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

During the nine month period the Corporation obtained a $2.0 million secured draw down facility loan from a director and major shareholder of the Corporation. The loan has an annual interest rate of 8%, and matures on June 1, 2016. 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. As of September 30, 2014 $1.98 million has been drawn on the facility. Interest in the amount of $23 thousand has been accrued as at September 30, 2014.

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. During the period, the Corporation's arm's length credit facility incurred interest at a rate of 16%. 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. Share contribution amount has been recorded in contributed surplus.

The related party loan is classified as a current liability for the period as a result of a cross covenant violation breach and triggered a default event under the loan terms. Subsequent to the end of the quarter 3MV Energy amended the related party loan terms to remove this default event.

	Proceeds $	Debt Component $	Share Contribution $
Balance at December 31, 2013	-	-	-
Loan	1,987,372	1,808,168	179,204
Accretion	-	34,790	-
Deferred tax			(46,593)
Balance at September 30, 2014	1,987,372	1,842,959	132,611

15. Subsequent Events

During the period the Corporation announced that it entered into a joint venture agreement with an arm's length private company to form a joint venture to drill, develop and exploit its Fiske property in south west Saskatchewan. The joint venture partner has agreed to expend $5 million on the property in order to earn a 50% working interest in the Fiske lands and related assets currently held by 3MV Energy. Under the terms of the agreement, the joint venture partner will become the operator of the assets. Subsequent to the period end, the joint venture partner successfully completed the earning requirements and obtained a 50% working interest in the Fiske lands.

On October 8, 2014 the Corporation announced that it has entered into a secured loan facility whereby it may borrow up to $10,000,000 and made available in two advances. In exchange for providing the Facility, the Corporation shall issue 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 Corporation shall issue additional warrants to the lender concurrent with the advancement of the second Tranche entitling the lender to purchase 5,714,286 common shares of the Company at an exercise price equal to the greater of $0.35 per share or the discounted market price at time of issuance. The issuance of Tranche A warrants and Tranche B warrants is subject to approval and shall be made in accordance with the rules of the TSX Venture Exchange including a hold period of 4 months from the date of issuance. The maturity date of the loan is the earlier of 36 months from the advance of Tranche B and 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 shares of the Corporation for a period of up to eight months. As part of the loan, the Corporation is subject to financial covenants. As part of the covenants and effective December 31, 2014, the Corporation must maintain an adjusted working capital ratio greater than 1.20:1.00; and it must maintain an asset coverage ratio of not less than 1.00:1.00 until December 30, 2015 at which time it must not be less than 1.50:0. Finally, the Corporation is required to maintain a total interest service coverage ratio greater than 3.00:1.00 for the thirty days ending December 31, 2014 and greater than 3.00:1.00 for the trailing 90 days after December 31, 2014.

On November 5, 2014 the Corporation announced that it had drawn down $6,000,000 of the facility and issued the warrants associated with Tranche A of the loan. As part of the use of funds, the $622 thousand credit facility was repaid in full. The Corporation also appointed the president and managing partner of the facility lender to the board of directors.

On November 14, 2014 the Corporation announced that it issued 53,897 common shares in relation to interest payable quarterly on the $2 million secured draw down facility term loan. The debt facility bears interest at 8% per annum, calculated and payable quarterly at the greater of the volume weighted average market price of the shares of the Corporation on the five trading days preceding payment date or the discounted market price based on closing price at payment date.

The Corporation also issued 3,448,276 shares upon the conversion of $1,000,000 convertible debentures maturing and due November 14, 2014. The shares were issued to a company controlled by a director and control person of 3MV Energy.