

MANITOK ENERGY INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****Unaudited** (expressed in thousands of Canadian dollars)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Accounts receivable	9,172	24,035
Deposits and prepaid expenses	971	743
Fair value of financial instruments (note 17)	13,725	20,783
	23,868	45,561
Non-current assets:		
Fair value of financial instruments (note 17)	4,916	-
Exploration and evaluation assets (note 5)	40,286	26,759
Petroleum and natural gas properties and equipment (note 6)	137,574	138,964
	182,776	165,723
	206,644	211,284
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	10,741	47,573
Credit facilities (note 9)	65,371	53,258
Deferred premium on financial instruments (note 17)	1,557	2,019
	77,669	102,850
Non-current liabilities:		
Long-term financial obligations (note 10)	14,966	2,500
Deferred premium on financial instruments (note 17)	1,748	-
Flow-through share premium (note 12)	948	-
Decommissioning obligations (note 11)	26,151	8,516
Deferred income taxes	6,576	13,085
	50,389	24,101
	128,058	126,951
SHAREHOLDERS' EQUITY		
Share capital (note 12)	120,812	105,701
Contributed surplus	6,486	5,407
Deficit	(48,712)	(26,775)
	78,586	84,333
Going concern (note 2a)		
Commitments (note 18)		
Subsequent events (note 19)		
	206,644	211,284

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

MANITOK ENERGY INC.
**CONDENSED INTERIM STATEMENTS OF NET INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)**

Unaudited (expressed in thousands of Canadian dollars, except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
REVENUE				
Petroleum and natural gas	14,548	23,037	43,490	88,920
Royalty expenses	(4,134)	(7,157)	(11,180)	(27,994)
Net revenue from petroleum and natural gas sales	10,414	15,880	32,310	60,926
Realized gain (loss) on financial instruments	6,426	(1,709)	16,380	(6,303)
Unrealized gain (loss) on financial instruments	11,014	8,394	(3,428)	183
Interest and other	7	22	21	25
	27,861	22,587	45,283	54,831
EXPENSES				
Operating, net of recoveries	6,414	2,453	15,261	9,195
Transportation and marketing	698	1,265	2,828	4,359
Administrative, net of recoveries	1,787	1,618	5,821	5,508
Depletion and depreciation (note 6)	5,781	6,004	22,356	18,889
Finance (note 13)	1,608	456	5,677	864
Impairment (note 5 and 6)	-	-	17,943	13,634
Loss on asset divestitures (note 8)	19	196	3,616	998
	16,307	11,992	73,502	53,447
NET INCOME (LOSS) BEFORE INCOME TAXES	11,554	10,595	(28,219)	1,384
Deferred income tax expense (recovery)	3,238	2,695	(6,282)	2,197
TOTAL NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	8,316	7,900	(21,937)	(813)
Net income (loss) per common share (note 15)				
basic	0.10	0.12	(0.30)	(0.01)
diluted	0.10	0.11	(0.30)	(0.01)

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

MANITOK ENERGY INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****Unaudited** (expressed in thousands of Canadian dollars, except for share information)

	Number of common shares	Share Capital	Contributed Surplus	Deficit	Total
As at December 31, 2013	74,492,340	119,586	5,451	(15,941)	109,096
Net loss for the period	-	-	-	(813)	(813)
Issued on exercise of stock options	1,117,500	2,714	(1,061)	-	1,653
Normal course issuer bid	(8,613,400)	(13,911)	-	(6,846)	(20,757)
Stock-based compensation expensed	-	-	358	-	358
Stock-based compensation capitalized	-	-	177	-	177
As at September 30, 2014	66,996,440	108,389	4,925	(23,600)	89,714
As at December 31, 2014	65,279,607	105,701	5,407	(26,775)	84,333
Net loss for the period	-	-	-	(21,937)	(21,937)
Share issuance (note 12)	19,810,177	15,848	-	-	15,848
Share issue costs, net of tax (note 12)	-	(737)	-	-	(737)
Stock-based compensation expensed	-	-	533	-	533
Stock-based compensation capitalized	-	-	546	-	546
As at September 30, 2015	85,089,784	120,812	6,486	(48,712)	78,586

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

MANITOK ENERGY INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS

Unaudited (expressed in thousands of Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Cash provided by (used in):				
OPERATING ACTIVITIES:				
Net income (loss) and comprehensive income (loss)	8,316	7,900	(21,937)	(813)
Adjustments for items not affecting operating cash:				
Deferred income tax	3,238	2,695	(6,282)	2,197
Depletion and depreciation	5,781	6,004	22,356	18,889
Impairment	-	-	17,943	13,634
Stock-based compensation	141	121	533	358
Finance	1,608	456	5,677	864
Unrealized (gain) loss on financial instruments	(11,014)	(8,394)	3,428	(183)
Loss on asset divestitures	19	196	3,616	998
Acquisition-related expenses	(20)	-	(1,974)	-
Interest paid	(1,445)	(422)	(3,432)	(730)
Decommissioning expenditures	(310)	(4)	(390)	(20)
Changes in non-cash operating working capital	15	(919)	3,476	5,274
	6,329	7,633	23,014	40,468
FINANCING ACTIVITIES:				
Increase (decrease) in credit facilities	(4,578)	25,787	12,113	31,861
Increase (decrease) in long-term financial obligations	(18)	-	12,466	-
Proceeds from share issuance	-	-	16,840	-
Share issue costs	-	-	(1,010)	-
Proceeds from the exercise of stock options	-	73	-	1,653
Repurchase of common shares	-	(4,971)	-	(20,757)
	(4,596)	20,889	40,409	12,757
INVESTING ACTIVITIES:				
Acquisitions (note 7)	-	-	(62,846)	-
Divestitures (note 8)	(26)	(146)	37,055	22,792
Exploration and evaluation asset expenditures	(1,244)	(12,673)	(3,456)	(29,211)
Petroleum and natural gas properties and equipment expenditures	(2,620)	(10,013)	(8,503)	(36,322)
Changes in non-cash investing working capital	2,157	(5,690)	(25,673)	(10,484)
	(1,733)	(28,522)	(63,423)	(53,225)
NET CHANGE IN CASH	-	-	-	-
CASH, BEGINNING OF PERIOD	-	-	-	-
CASH, END OF PERIOD	-	-	-	-
Cash interest paid	1,445	422	3,432	730

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

1. REPORTING ENTITY AND NATURE OF OPERATIONS

Manitok Energy Inc. ("**Manitok**" or the "**Corporation**") is domiciled and incorporated in Canada. The Corporation is engaged in the exploration for, and the development, production and acquisition of petroleum and natural gas reserves in Western Canada. Manitok conducts its operations in the Western Canadian Sedimentary Basin and currently all of the Corporation's activities are in Alberta. Manitok's financial year end is December 31st and the Corporation's registered office is located at Suite 1600, 421 – 7th Avenue S.W., Calgary, Alberta, Canada T2P 4K9. Manitok common shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "**MEI**".

2. BASIS OF PREPARATION AND GOING CONCERN

a) Going concern

The unaudited condensed interim financial statements ("**Financial Statements**") have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") on a going concern basis, which asserts that the Corporation has the ability to realize its assets and discharge its liabilities and commitments in the normal course of business. In June 2015 Manitok amended its \$90.0 million revolving operating demand loan facility with its lender. Upon amendment, the facilities consist of a \$45.0 million revolving operating demand loan facility drawn at \$30.4 million on September 30, 2015 and a fully drawn \$35.0 million non-revolving reducing demand loan facility, for total credit facilities of \$80.0 million. The Corporation is required to repay the \$35.0 million outstanding amount on the non-revolving reducing demand loan as follows:

- \$5.0 million on or before December 31, 2015, which has been paid as at November 25, 2015 as indicated in note 19;
- \$10.0 million on or before March 31, 2016; and
- \$20.0 million on or before May 31, 2016.

Based on the next twelve month forecasted cash flow from operating activities at current forward strip crude oil and natural gas prices, the Corporation is in the process of identifying and pursuing alternative debt arrangements, joint venture opportunities, property acquisitions or divestitures and other recapitalization opportunities and is taking steps to manage its spending and indebtedness, including the implementation of cost reduction and capital management initiatives, to satisfy the non-revolving reducing demand loan facility repayment requirements. There is no assurance that the Corporation will be able to access the various financing opportunities in order to repay the non-revolving reducing demand loan facility in accordance with the timing required under the credit facility agreement. Should the Corporation fail to make repayments of the non-revolving reducing demand loan facility in accordance with the requirements of the credit facility agreement and is unable to renegotiate with its lender, outstanding borrowings may become due and payable immediately. These circumstances result in material uncertainty surrounding the Corporation's ability to continue as a going concern and lend significant doubt as to the ability of the Corporation to meet its obligations as they come due and, accordingly the appropriateness of the use of accounting principles applicable to a going concern.

The Corporation currently continues to meet all of its obligations with respect to ongoing operations including the \$5.0 million required payment of the non-revolving reducing demand loan facility on November 25, 2015 as indicated in note 19. The Financial Statements do not reflect the adjustments to the carrying amounts of the Corporation's assets, liabilities, revenues, expenses and balance sheet classifications that would be necessary if the going concern assumption is not appropriate. Such adjustments could be material.

b) Statement of compliance

The Financial Statements present Manitok's financial results of operations and financial position under IFRS as at and for the three and nine months ended September 30, 2015, including the 2014 comparable periods. The Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("**IASB**").

These Financial Statements were approved and authorized for issuance by the Board of Directors on November 25, 2015.

c) Basis of measurement

The Financial Statements have been prepared following the same IFRS accounting policies and methods of computation, as disclosed in the annual audited financial statements for the year ended December 31, 2014. Certain information and disclosures normally required to be included in the notes to the annual audited financial statements have been condensed, omitted or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the annual audited financial statements and the notes thereto for the year ended December 31, 2014.

The Financial Statements have been prepared on a historical cost basis, except for certain financial and non-financial assets and liabilities, which have been measured at fair value. The methods used to measure fair values are discussed in note 4. The Corporation's Financial Statements include the accounts of Manitok only and are expressed in Canadian dollars, unless otherwise stated. There are no subsidiary companies.

3. CHANGES IN ACCOUNTING POLICIES

There were no new or amended accounting standards or interpretations issued during the period ended September 30, 2015 that will affect the Corporation's future reporting periods. A summary of accounting standards and interpretations that will have an impact on future reporting periods of the Corporation are described in the notes to the annual Financial Statements for the year ended December 31, 2014.

4. DETERMINATION OF FAIR VALUES

A number of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Corporation's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect the placement within the fair value hierarchy level. The fair value measurement of derivative financial instruments has a fair value hierarchy of level 2.

5. EXPLORATION AND EVALUATION ASSETS

The components of the Corporation's Exploration and Evaluation ("E&E") assets are as follows:

(\$000)	Total
As at December 31, 2013	54,106
Additions ⁽¹⁾	49,975
Dispositions	(8,039)
Transfer to petroleum and natural gas properties and equipment (note 6)	(23,199)
Impairment	(46,084)
As at December 31, 2014	26,759
Additions ⁽¹⁾⁽²⁾	10,792
Acquisition ⁽³⁾	4,973
Impairment	(2,238)
As at September 30, 2015	40,286

(1) Includes non-cash items such as capitalized stock-based compensation and decommissioning obligations.

(2) Includes a \$7.1 million non-cash undeveloped land addition relating to an asset swap arrangement as disclosed in note 8.

(3) In June 2015, the Corporation completed an acquisition in southeast Alberta for \$62.4 million, of which \$5.0 million was allocated to E&E assets as disclosed in note 7.

E&E assets consist of the Corporation's exploration projects which are pending the determination of economic quantities of proven reserves. Additions represent the Corporation's share of costs incurred on E&E assets during the period. ManitoK capitalized cash and non-cash administrative costs directly attributable to E&E additions of \$1.9 million in the nine months ended September 30, 2015 (September 30, 2014 – \$1.3 million).

Impairment

In the second quarter of 2015, ManitoK determined the carrying value of certain land costs were higher than the estimated fair value less costs to sell based on an internal valuation of undeveloped land. An impairment charge of \$2.2 million (December 31, 2014 – \$46.1 million) was recorded in the Financial Statements. Any impairment of E&E assets and any eventual reversal are recognized in income or loss.

There are no further indicators of impairment as at September 30, 2015.

6. PETROLEUM AND NATURAL GAS PROPERTIES AND EQUIPMENT

The components of the Corporation's Petroleum and Natural Gas ("P&NG") Properties and Equipment are as follows:

(\$000)	P&NG	Corporate	Total
<i>Cost:</i>			
As at December 31, 2013	161,872	1,268	163,140
Additions	50,440	202	50,642
Asset acquisition	7,555	-	7,555
Asset divestitures	(51,335)	(240)	(51,575)
Transfer from E&E assets (note 5)	23,199	-	23,199
Change in decommissioning obligations	2,236	-	2,236
As at December 31, 2014	193,967	1,230	195,197
Additions	8,576	173	8,749
Asset acquisition (note 7)	67,686	-	67,686
Asset divestitures ⁽¹⁾ (note 8)	(68,262)	-	(68,262)
Change in decommissioning obligation	8,006	-	8,006
As at September 30, 2015	209,973	1,403	211,376
<i>Accumulated depletion and depreciation and impairment:</i>			
As at December 31, 2013	(43,171)	(531)	(43,702)
Asset divestitures	15,420	158	15,578
Depletion and depreciation expense	(26,233)	(319)	(26,552)
Impairment expense	(1,557)	-	(1,557)
As at December 31, 2014	(55,541)	(692)	(56,233)
Asset divestitures (note 8)	20,492	-	20,492
Depletion and depreciation expense	(22,069)	(287)	(22,356)
Impairment expense	(15,705)	-	(15,705)
As at September 30, 2015	(72,823)	(979)	(73,802)
<i>Net book value:</i>			
As at December 31, 2014	138,426	538	138,964
As at September 30, 2015	137,150	424	137,574

(1) Includes a \$7.1 million non-cash undeveloped land addition relating to an asset swap arrangement as disclosed in note 8.

At September 30, 2015, estimated future development costs of \$61.0 million (December 31, 2014 – \$47.0 million) associated with the development of the Corporation's proved and probable reserves were added to the Corporation's net book value in the depletion and depreciation calculation. Manitoq capitalized cash and non-cash administrative costs directly attributable to P&NG properties and equipment additions of \$1.2 million in the nine months ended September 30, 2015 (September 30, 2014 – \$0.9 million).

Impairment

In the second quarter of 2015, as a result of the loss from the asset divestitures as disclosed in note 8 in the three months ended June 30, 2015 along with the general decline in forecasted crude oil and natural gas prices, the Corporation tested certain CGUs for impairment. The recoverable amounts for the tested CGUs were based on the the greater of fair value less cost to sell and value in use.

Fair value less costs to sell were based on the net present value of the before tax cash flow from proved plus probable oil and natural gas reserves internally estimated using discount rates of 10% to 20%.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the three and nine months ended September 30, 2015 and 2014

The forward commodity price estimates used in the June 30, 2015 impairment test are as follows:

	WTI Oil (\$US/bbl)	Canadian Light Sweet (\$CAD/bbl)	AECO gas (\$CAD/mmbtu)	\$US/\$CAD
2015 6 mo. estimate	60.00	69.00	2.68	0.800
2016	70.00	75.76	3.42	0.850
2017	75.00	81.18	4.01	0.850
2018	80.00	89.41	4.59	0.850
2019	81.20	90.75	5.18	0.850
2020	82.42	93.08	5.27	0.850
2021	83.65	94.48	5.36	0.850
2022	84.91	95.90	5.45	0.850
2023	86.18	97.34	5.54	0.850
2024	87.48	98.80	5.64	0.850
2025	88.79	100.28	5.73	0.850
thereafter	+1.5%/yr	+1.5%/yr	+1.5%/yr	

- (1) Product sale prices will reflect these reference prices with further adjustments for product quality differentials and transportation to point of sale.

At June 30, 2015 it was determined that the net book value of certain CGUs exceeded the recoverable amount and Manitoak recognized a \$15.7 million impairment charge from its P&NG assets (December 31, 2014 - \$1.6 million). Any impairment of P&NG assets and any eventual reversal are recognized in income or loss.

There are no further indicators of impairment as at September 30, 2015.

7. ACQUISITIONS

2015 Acquisitions

The revenue and net income for the post-acquisition period of the acquisitions listed below are included in the Statements of Net Income (Loss) and Comprehensive Income (Loss).

On June 12, 2015, the Corporation closed an acquisition of petroleum and natural gas assets in the Wayne area of southeast Alberta ("**Wayne Acquisition**"), with an effective date of April 1, 2015, for total cash consideration of approximately \$62.4 million after estimated post-closing adjustments. The consideration paid by Manitoak for the Wayne Acquisition was financed with the June 2015 equity financing as disclosed in note 12, asset divestitures as disclosed in note 8 and long-term financial obligations as disclosed in note 10.

The transaction has been accounted for as a business combination pursuant to IFRS 3, using the acquisition method whereby the net assets acquired and the liabilities assumed are recorded at fair value. A total of \$2.0 million in acquisition-related expenses, which relate primarily to professional fees have been charged to finance expenses on the Financial Statements.

The Wayne Acquisition has contributed revenues of \$6.2 million and operating income of \$1.1 million since June 12, 2015 and had the Wayne Acquisition closed on January 1, 2015, estimated contributed revenues would have been \$18.3 million and estimated contributed operating income would have been \$7.3 million for the period ended September 30, 2015. The pro-forma information is not necessarily indicative of the actual results that would have been achieved had the business combination closed on January 1, 2015.

Fair value of net assets acquired:	(\$000)
Exploration and evaluation assets	4,973
Petroleum and natural gas properties and equipment	67,264
Decommissioning obligations	(9,812)
Total net assets acquired	62,425
Consideration:	
Cash	62,425

The fair value of E&E assets have been estimated based on available third party land sale data, while P&NG assets have been estimated based on a third party reserve report using discount rates of 12% to 18%. The decommissioning obligations have been estimated using a credit adjusted discount rate of 10%.

The above amounts are estimates, which were made by management at the time of the preparation of these Financial Statements based on information then available. Amendments may be made to these amounts as values subject to estimates are finalized.

In addition, on June 29, 2015, the Corporation closed a minor acquisition in the Carseland area for \$0.3 million.

8. ASSET DIVESTITURES

2015 Asset Divestitures

In June 2015, the Corporation divested of a 5% gross-overriding royalty of revenue with no deductions from the producing wells in the Wayne area ("**Wayne GORR Divestiture**") for total cash consideration of approximately \$6.2 million after estimated post-closing adjustments. The Corporation did not record a gain or loss on the divestiture as the carrying value approximated the proceeds received.

In June 2015, Manitoak entered into a production volume royalty divestiture ("**PVR Divestiture**") with a royalty corporation for approximately \$24.4 million after estimated post-closing adjustments. The PVR Divestiture royalty volumes remain constant at 140 barrels per day of light crude oil for the first 8 years to May 31, 2023, and is then subject to a 10% decline per year thereafter. The royalty volumes are first allocated from the Corporation's Stolberg area, provided sufficient volumes are produced, and any short fall would be made up from oil production in the

Wayne and Carseland areas, if available. There is an associated capital commitment as disclosed in note 18. Manito recorded a loss of \$2.8 million on the asset divestiture for the nine month period ended September 30, 2015.

In June 2015, Manito divested its interest in certain oil and gas infrastructure ("**Facility Divestiture**") in the Wayne area for approximately \$7.1 million after estimated post-closing adjustments. The Corporation did not record a gain or loss on the divestiture as the carrying value approximated the proceeds received. The Corporation has entered into an agreement for the exclusive use of the oil and gas infrastructure, which include monthly facility fees included in commitments as set forth in note 18.

In June 2015, the Corporation entered into an asset swap arrangement, in which Manito provided a 4% gross-overriding royalty with no deductions on its Stolberg lands ("**Stolberg GORR Divestiture**") from both the Cadium and Mannville formations in exchange for additional undeveloped lands and revised terms to the Lease Issuance and Drilling Commitment Agreement with PrairieSky Royalty Ltd. ("**PSK LIDCA**"). The estimated fair market value was determined to be \$7.1 million and was based on the fair value of the Stolberg GORR Divestiture assets. Manito recorded a loss of \$0.8 million on the asset divestiture for the nine month period ended September 30, 2015.

9. CREDIT FACILITIES

The components of the Corporation's credit facilities include:

(\$000)	September 30, 2015	December 31, 2014
Revolving operating demand loan facility	30,371	53,258
Non-revolving reducing demand loan facility	35,000	-
Credit facilities	65,371	53,258

As at September 30, 2015, the Corporation's credit facilities consisted of a \$45.0 million revolving operating demand loan facility and a \$35.0 million non-revolving reducing demand loan facility, for total credit facilities of \$80.0 million. The Corporation is required to repay the fully drawn \$35.0 million outstanding amount on the non-revolving reducing demand loan as follows:

- \$5.0 million on or before December 31, 2015, which has been paid as at November 25, 2015 as indicated in note 19;
- \$10.0 million on or before March 31, 2016; and
- \$20.0 million on or before May 31, 2016.

Based on the next twelve month forecasted cash flow from operating activities at current forward strip crude oil and natural gas prices, the Corporation is in the process of identifying and pursuing alternative debt arrangements, joint venture opportunities, property acquisitions or divestitures and other recapitalization opportunities and is taking steps to manage its spending and leverage including the implementation of cost reduction and capital management initiatives to satisfy the non-revolving reducing demand loan facility repayment requirements. As disclosed in note 2a, there is no assurance that the Corporation will be able to access the various financing opportunities in order to repay the non-revolving reducing demand loan facility in accordance with the timing required under the credit facility agreement.

Advances under the revolving operating demand loan facility are available by way of Canadian prime rate loans and bankers' acceptances. The interest rates applicable to the advances and the standby fees on the undrawn credit facility are based on a pricing margin related to the ratio of outstanding indebtedness to cash flow, as defined by the lender and calculated at the Corporation's previous quarter end. The interest rates applicable on the non-revolving reducing demand loan facility are based on the same pricing margin as the revolving operating demand loan facility plus:

- an additional 3.0% from September 1, 2015 to November 30, 2015;
- an additional 4.0% from December 1, 2015 to February 29, 2016; and
- an additional 5.0% from March 1, 2016 to May 31, 2016.

The effective interest rate applicable to the total debt issued under the credit facilities was 4.2% for the nine months ended September 30, 2015 (September 30, 2014 – 3.5%).

The lending agreement provides for a financial covenant that requires the Corporation to maintain a working capital ratio (current assets excluding the fair value of financial instruments plus any undrawn portion of the revolving operating demand loan facility divided by current liabilities excluding any current portion of an amount drawn on the credit facilities, the fair value of financial instruments and the deferred premium on financial instruments) of at least 1:1. As of September 30, 2015, the Corporation's working capital ratio was 2.3:1. The Corporation was compliant with the covenant based on the credit facilities available as at September 30, 2015.

The credit facilities are secured by a fixed charge debenture on the assets of the Corporation and are subject to review by the lender at any time in its sole discretion, and at least annually. The amount of the credit facilities are subject to a borrowing base test performed on a periodic basis by the lender, based primarily on reserves and using commodity prices estimated by the lender, as well as other factors. A change or redetermination of the borrowing base limit may result in a reduction in the credit facilities and a borrowing base shortfall must be remedied by the Corporation. The next review date for the credit facilities has been set for December 1, 2015.

10. LONG-TERM FINANCIAL OBLIGATIONS

In December 2014, the Corporation entered into a financing arrangement with a third party, whereby the Corporation received \$2.5 million. Under the financing arrangement, the Corporation is required to make annual payments of about \$0.36 million over 20 years. The effective interest rate over the life of the obligation is 13.5% and the obligation is secured by certain oil batteries in the Stolberg area.

Manitok has the option to terminate the financing at any time by paying consideration such that the third party earns a rate of return of 13.5% percent plus a penalty for the first four years and a 13.5% rate of return over the remaining sixteen years. Upon the total payment of fees equal to 110% of the original financing (\$2.75 million in payments over approximately 7.5 years), the third party has the option to require the Corporation to pay the remaining obligation, discounted at 17.0%.

In June 2015, the Corporation entered into a second financing arrangement with a third party, whereby the Corporation received \$12.5 million. Under the financing arrangement, the Corporation is required to make annual payments of about \$1.875 million over 20 years. The effective interest rate over the life of the obligation is 14.5% and the obligation is secured by certain oil batteries in the Wayne area.

Manitok has the option to terminate the financing at any time by paying consideration such that the third party earns a rate of return of 14.5% percent plus a penalty for the first four years and a 14.5% rate of return over the remaining sixteen years. Upon the total payment of fees equal to 110% of the original financing (\$13.75 million in payments over approximately 7.5 years), the third party has the option to require the Corporation to pay the remaining obligation, discounted at 16.0%.

A reconciliation of the long-term financial obligations is provided below:

(\$000)	September 30, 2015	December 31, 2014
Opening Balance	2,500	-
December 2014 financing arrangement	-	2,500
June 2015 financing arrangement	12,500	-
Principal repayments	(34)	-
Ending Balance	14,966	2,500

11. DECOMMISSIONING OBLIGATIONS

The Corporation's decommissioning obligations result from net ownership interests in petroleum and natural gas properties and equipment including well sites and facilities. Manitoak estimates the total inflation adjusted undiscounted amount of cash flows required to settle its decommissioning obligations as at September 30, 2015 to be approximately \$36.7 million (December 31, 2014 – \$13.2 million) with the majority of costs anticipated to be incurred between 2024 and 2032. A risk-free discount rate of 2.2% (December 31, 2014 – 2.3%) and an inflation rate of 2.0% (December 31, 2014 – 2.0%) was used to calculate the fair value of the decommissioning obligations.

A reconciliation of the decommissioning obligations is provided below:

(\$000)	September 30, 2015	December 31, 2014
Opening Balance	8,516	11,225
Obligations incurred	-	2,773
Obligations acquired (note 7)	9,812	162
Obligations disposed	-	(7,974)
Actual expenditures	(390)	(180)
Changes in estimates ⁽¹⁾	1,165	2,325
Revaluation of acquired decommissioning obligations ⁽²⁾	6,777	-
Accretion expense	271	185
Ending Balance	26,151	8,516

(1) The change in estimates consists of a change in the risk-free discount rate of \$0.1 million (December 31, 2014 – \$0.9 million) and a change in abandonment and remediation cost estimates and future abandonment dates of \$1.1 million (December 31, 2014 – \$1.4 million).

(2) These amounts relate to the revaluation of acquired decommissioning obligations related to the Wayne Acquisition using a risk-free discount rate. At the date of the Wayne Acquisition decommissioning obligations were estimated using a credit adjusted discount rate of 10%.

12. SHARE CAPITAL

- (a) Authorized:
- Unlimited number of voting common shares
 - Unlimited number of preferred shares issuable in series, with rights and privileges to be designated by the Board of Directors at the time of issuance
- (b) Issued and outstanding:

	Number of common shares	Amount (\$000)
Outstanding, December 31, 2013	74,492,340	119,586
Issued on exercise of stock options	1,279,167	3,065
Normal course issuer bid	(10,491,900)	(16,950)
Outstanding, December 31, 2014	65,279,607	105,701
Issued, net of costs (note 12c)	12,587,600	9,466
Issued, net of costs (note 12d)	917,500	687
Issued, net of costs (note 12e)	6,305,077	4,685
Tax effect of share issue costs (note 12f)	-	273
Outstanding, September 30, 2015	85,089,784	120,812

- (c) In June 2015, Manitok closed a non-brokered private placement equity financing for the issuance of 12,587,600 common shares of Manitok ("**Manitok Shares**") at a price of \$0.80 per Manitok Share for gross proceeds of \$10.1 million (net proceeds - \$9.5 million).
- (d) In June 2015, Manitok closed a non-brokered private placement equity financing for the issuance of 917,500 Manitok Shares on a "flow-through" basis under the *Income Tax Act* (Canada) in respect of Canadian development expense ("**Manitok CDE Flow-through Shares**") at a price of \$0.85 per Manitok CDE Flow-through Share for gross proceeds of \$0.8 million (net proceeds - \$0.7 million). The Corporation has until December 31, 2015 to incur the \$0.8 million in development expenditures. The amount recorded to share capital from the issuance of Manitok CDE Flow-through Shares reflects the fair market value of Manitok Shares, which was \$0.80 per Manitok Share less share issue costs. The difference between the total value of Manitok CDE Flow-through Shares and the fair value of Manitok Shares of \$0.1 million is recognized as a flow-through share premium liability on the Financial Statements. As at September 30, 2015, the Corporation has fulfilled \$0.2 million of the eligible development expenditures and has reversed \$11,000 of the flow-through share premium liability.
- (e) In June 2015, Manitok closed a non-brokered private placement equity financing for the issuance of 6,305,077 Manitok Shares on a "flow-through" basis under the *Income Tax Act* (Canada) in respect of Canadian exploration expense ("**Manitok CEE Flow-through Shares**") at a price of \$0.95 per Manitok CEE Flow-through Share for gross proceeds of \$6.0 million (net proceeds - \$5.6 million). The Corporation has until December 31, 2016 to incur the \$6.0 million in exploration expenditures. The amount recorded to share capital from the issuance of Manitok CEE Flow-through Shares reflects the fair market value of Manitok Shares, which was \$0.80 per Manitok Share less share issue costs. The difference between the total value of Manitok CEE Flow-through Shares and the fair value of Manitok Shares of \$0.9 million is recognized as a flow-through share premium liability on the Financial Statements. As at September 30, 2015, the Corporation has fulfilled \$0.2 million of the eligible exploration expenditures and has reversed \$34,000 of the flow-through share premium liability.
- (f) Manitok recognized a deferred income tax benefit of \$0.3 million related to the share issue costs of \$1.0 million incurred with respect to the issuance of 12,587,600 Manitok Shares, 917,500 Manitok CDE Flow-through Shares and 6,305,077 Manitok CEE Flow-through Shares in June 2015.

13. FINANCE EXPENSES

The components of finance expenses are as follows:

	Three months ended September 30		Nine months ended September 30	
(\$000)	2015	2014	2015	2014
<i>Cash:</i>				
Interest and fees on credit facilities	1,445	422	3,432	730
Acquisition-related expenses ⁽¹⁾	20	-	1,974	-
	1,465	422	5,406	730
<i>Non-cash:</i>				
Accretion on decommissioning obligations (note 11)	143	34	271	134
Total finance expenses	1,608	456	5,677	864

(1) Acquisition-related expenses are associated with the Wayne Acquisition, as disclosed in note 7.

14. SHARE-BASED PAYMENTS

Stock Options

At September 30, 2015, the Corporation's stock option plan permitted the grant of options to a maximum of 8,508,978 of Manitok Shares. At September 30, 2015, there remained available for issuance options of 3,045,545 Manitok Shares. No stock options were exercised in the nine months ended September 30, 2015. For stock options exercised during the nine months ended September 30, 2014, the weighted average trading price was \$2.48 per Manitok Share.

A summary of the Corporation's outstanding stock options as at September 30, 2015 is presented below:

	Number	Weighted Average Exercise Price (\$)
Outstanding, December 31, 2013	5,607,440	1.98
Granted	2,601,500	2.09
Exercised	(1,279,167)	(1.46)
Forfeited	(1,621,167)	(2.61)
Outstanding, December 31, 2014	5,308,606	1.97
Granted	1,215,000	0.81
Expired	(667,340)	(1.10)
Forfeited	(392,833)	(1.93)
Outstanding, September 30, 2015	5,463,433	1.82

The range of exercise prices for stock options outstanding and exercisable under the plan at September 30, 2015 is as follows:

Exercise Prices		Awards Outstanding			Awards Exercisable		
Low	High	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price (\$)		Weighted Average Remaining Contractual Life	Weighted Average Exercise Price (\$)	
(\$)	(\$)	Quantity	(years)		Quantity	(years)	
0.60	1.00	1,167,000	4.4	0.81	-	-	-
1.01	2.00	2,068,333	2.4	1.57	1,080,833	0.8	1.54
2.01	3.12	2,228,100	3.0	2.57	966,900	2.9	2.68
		5,463,433	3.1	1.82	2,047,733	1.8	2.08

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the three and nine months ended September 30, 2015 and 2014

The fair value of each option granted in the period is estimated using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows:

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Weighted average fair value of options granted	\$0.32	-	\$0.44	\$1.33
Risk-free interest rate	0.55%	-	0.64%	1.43%
Expected life (years)	3.8	-	4.1	4.2
Expected volatility	75%	-	73%	72%
Estimated forfeiture rate	10.4%	-	9.1%	9.0%
Expected dividends	-	-	-	-

15. PER SHARE INFORMATION

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Net income (loss) (\$000)	8,316	7,900	(21,937)	(813)
Weighted average Manitok Shares outstanding - basic	85,089,784	68,143,633	73,112,325	70,525,702
Weighted average Manitok Shares outstanding - diluted	85,089,784	69,108,544	73,112,325	70,525,702
Net income (loss) per share – basic (\$)	0.10	0.12	(0.30)	(0.01)
Net income (loss) per share – diluted (\$)	0.10	0.11	(0.30)	(0.01)

The weighted average diluted Manitok Shares outstanding for the three and nine months ended September 30, 2015 excludes 5,463,433 (three and nine months ended September 30, 2014 – 2,433,767 and 4,570,274) stock options that are anti-dilutive.

16. CAPITAL MANAGEMENT

The Corporation's general policy is to maintain a sufficient capital base in order to manage its business in the most effective manner with the goal of increasing the value of its assets and thus its underlying share value. The Corporation's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, including potential obligations arising from acquisitions; to maintain a capital structure that allows Manitok to finance its growth strategy using internally-generated cash flow from operating activities and its available debt capacity; and to optimize the use of its capital to provide an appropriate investment return to its shareholders.

Manitok strives to properly exploit its current asset base and to acquire top quality assets. As such, the Corporation is not averse to maintaining a higher ratio of debt to total capital if management determines the assets it is acquiring or the projects it is drilling are of high quality. However, the Corporation manages its capital structure and makes adjustments considering changes in economic conditions and the risk characteristics of the assets. In order to maintain or adjust the capital structure, Manitok may issue new Manitok Shares or debt, obtain other third party funding alternatives, divest of assets or adjust its capital spending to manage current and projected debt levels. Management expects to be able to continue to obtain financing sufficient to meet both its short-term and long-term growth requirements in the current environment.

In June 2015, Manitok amended its credit facilities with its lender and the Corporation is required to repay the \$35.0 million outstanding amount on the non-revolving reducing demand loan as follows:

- \$5.0 million on or before December 31, 2015, which has been paid as at November 25, 2015 as indicated in note 19;
- \$10.0 million on or before March 31, 2016; and
- \$20.0 million on or before May 31, 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the three and nine months ended September 30, 2015 and 2014

The following table shows the Corporation's total available credit:

As at	September 30, 2015	December 31, 2014
Maximum borrowing base limit		
Revolving operating demand loan facility ⁽¹⁾	45,000	90,000
Non-revolving reducing demand loan facility ⁽¹⁾	35,000	-
Acquisition and development demand loan facility ⁽²⁾	-	15,000
Long-term financial obligations (note 10)	14,966	2,500
	94,966	107,500
Principle amount utilized		
Drawn revolving operating demand loan facility	(30,371)	(53,258)
Drawn non-revolving reducing demand loan facility	(35,000)	-
Long-term financial obligations (note 10)	(14,966)	(2,500)
Outstanding letters of credit	(200)	-
	(80,537)	(55,758)
Undrawn credit facilities	14,429	51,742

(1) The Corporation's lender requires quarterly compliance that the working capital ratio (current assets excluding the fair value of financial instruments plus any undrawn portion of the revolving operating demand loan facility divided by current liabilities excluding any current portion of an amount drawn on the credit facilities, the fair value of financial instruments and the deferred premium on financial instruments) is not less than 1:1. As at September 30, 2015, the Corporation's working capital ratio was 2.3:1.

(2) The acquisition and development demand loan facility was restricted and subject to approval by the Corporation's lender, when utilized to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves. This facility was canceled in 2015.

The capital structure of the Corporation is as follows:

(\$000)	September 30, 2015	December 31, 2014
Total shareholders' equity ⁽¹⁾	78,586	84,333
Total shareholders' equity as a % of total capital	49%	52%
Adjusted working capital deficit ⁽²⁾	598	22,795
Drawn on credit facilities	65,371	53,258
Long-term financial obligations	14,966	2,500
Total net debt	80,935	78,553
Total net debt as a % of total capital	51%	48%
Total Capital⁽³⁾	159,521	162,886

(1) Shareholders' equity is defined as share capital plus contributed surplus less the deficit.

(2) Adjusted working capital (surplus) deficit is defined as current assets less current liabilities excluding the amount drawn on the credit facilities, the fair value of financial instruments and the deferred premium on financial instruments.

(3) Total capital is defined as total shareholder's equity plus total net debt.

17. FINANCIAL INSTRUMENTS & RISK MANAGEMENT CONTRACTS

Manitok is exposed to credit risk, liquidity risk and market risk as part of its normal course of business. The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's financial risk management framework and periodically reviews the results of all risk management activities and all outstanding positions. Management identifies and analyzes the risks faced by the Corporation, sets appropriate risk limits and controls, and monitors risks and market conditions and the Corporation's activities.

The Corporation attempts to mitigate commodity price risk through the use of various derivative financial instruments and physical delivery sales contracts to reduce volatility in its financial results and protect its cash flow from operating activities and the capital expenditure program. These instruments are not used for trading or speculative purposes. Manitok has not designated its financial derivative contracts as effective accounting hedges, even though the Corporation considers all commodity contracts to be effective economic hedges. As a result, all such financial derivative contracts are recorded on the Financial Statements at fair value, with the changes in fair value being recognized as an unrealized gain or loss in income or loss.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the three and nine months ended September 30, 2015 and 2014

Financial Derivatives

As at September 30, 2015, the Corporation held the following derivative financial instruments:

Product	Notional Quantity	Term	Reference	Strike Price	Type of Contract	Fair Value (\$000)
Oil	1,000 bbls/d	October 1, 2015 to December 31, 2015	CAD\$ WTI	\$95.00	Swap	3,113
Oil	500 bbls/d	October 1, 2015 to December 31, 2015	CAD\$ WTI	\$91.00	Swap	1,373
Oil	500 bbls/d	October 1, 2015 to December 31, 2015	CAD\$ WTI	\$75.00	Swap	638
Oil	500 bbls/d	January 1, 2016 to December 31, 2016	CAD\$ WTI	\$80.15	Swap	2,618
Oil	500 bbls/d	January 1, 2016 to December 31, 2017	CAD\$ WTI	\$79.75	Swap	4,232
Natural gas	1,000 GJ/d	October 1, 2015 to December 31, 2015	CAD\$ AECO	\$3.73	Put option ⁽¹⁾	99
Natural gas	5,000 GJ/d	October 1, 2015 to December 31, 2015	CAD\$ AECO	\$3.85	Put option ⁽¹⁾	551
Natural gas	5,000 GJ/d	October 1, 2015 to December 31, 2015	CAD\$ AECO	\$3.85	Put option ⁽¹⁾	551
Natural gas	5,000 GJ/d	October 1, 2015 to December 31, 2015	CAD\$ AECO	\$3.80	Put option ⁽¹⁾	528
Oil	1,000 bbls/d	January 1, 2016 to December 31, 2016	CAD\$ WTI	\$95.00	Option ⁽²⁾	(2)
Oil	500 bbls/d	January 1, 2016 to December 31, 2016	CAD\$ WTI	\$91.00	Option ⁽³⁾	(10)
Oil	500 bbls/d	January 1, 2017 to December 31, 2017	CAD\$ WTI	\$80.15	Option ⁽⁴⁾	(467)
Oil	500 bbls/d	January 1, 2018 to December 31, 2018	CAD\$ WTI	\$79.75	Option ⁽⁵⁾	(889)
Oil	500 bbls/d	January 1, 2016 to December 31, 2017	CAD\$ WTI	\$75.00 -\$90.00	Collar ⁽⁶⁾	3,694
Oil	500 bbls/d	January 1, 2016 to December 31, 2017	CAD\$ WTI	\$70.00 -\$90.00	Collar ⁽⁷⁾	2,612
Total						18,641
Current assets						13,725
Non-current assets						4,916

(1) Manitok recorded \$0.5 million as a deferred premium on financial instruments liability, which represents the amount payable to the counter-party on these contracts for the deferred put option premium of \$0.35/Gigajoule.

(2) The counter-party to this contract holds a one-time option no later than December 31, 2015 to extend a swap on 1,000 barrels per day of oil at CAD\$95.00 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

(3) The counter-party to this contract holds a one-time option no later than December 31, 2015 to extend a swap on 500 barrels per day of oil at CAD\$91.00 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

(4) The counter-party to this contract holds a one-time option no later than December 30, 2016 to extend a swap on 500 barrels per day of oil at CAD\$80.15 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

(5) The counter-party to this contract holds a one-time option no later than December 29, 2017 to extend a swap on 500 barrels per day of oil at CAD\$79.75 for the period indicated. The fair value amount represents the cost the Corporation would incur to exit the contract.

(6) Manitok recorded \$1.6 million as a deferred premium on financial instruments liability, which represents the amount payable to the counter-party on this contract for the deferred premium of \$4.50 per barrel.

(7) Manitok recorded \$1.2 million as a deferred premium on financial instruments liability, which represents the amount payable to the counter-party on this contract for the deferred premium of \$3.15 per barrel.

The fair value of these commodity risk management contracts at September 30, 2015 was \$18.6 million (December 31, 2014 –\$20.8 million). As at September 30, 2015, a 10% decrease to the forward price curves outlined in the swap contracts above would result in approximately \$8.5 million of additional pre-tax income.

The Corporation has not entered into any additional contracts subsequent to September 30, 2015.

Physical Sales Contracts

In addition to the financial derivative contracts discussed above, the Corporation may also enter into physical sales contracts to manage commodity risk. These contracts are considered normal executory contracts and are not recorded at fair value in the Financial Statements. As at September 30, 2015, the Corporation had no physical sales contracts in place and there were no physical sales contracts entered into subsequent to September 30, 2015.

18. COMMITMENTS

Lease Issuance and Drilling Commitment Agreement

In May 2015, the Corporation announced revised terms to the PSK LIDCA, in which Manitok is committed to the following annual work program including minimum annual drilling and completion expenditures and a minimum annual number of wells drilled, completed and tied-in or abandoned:

Original Minimum Commitment		
Year	Number of wells	Drilling and Completion Expenditures (\$000)
2015	3	21,000
2016	7	24,000
2017	8	29,000
April 30, 2018	5	18,000
Total	23	92,000

Based on current oil prices as of November 25, 2015, Manitok has been allowed to defer \$15.75 million of the 2015 minimum drilling and completion expenditures commitment to 2016 through to 2018 in accordance with the revised PSK LIDCA agreement. As at September 30, 2015, the Corporation is committed to the following minimum number of wells and minimum drilling and completion expenditures in southeast Alberta:

Revised Minimum Commitment			Work Program Incurred		Remaining Minimum Commitment	
Year	Number of wells	Drilling and Completion Expenditures (\$000)	Number of wells	Drilling and Completion Expenditures (\$000)	Number of wells	Drilling and Completion Expenditures (\$000)
2015	1	5,250	-	1,675	1	3,575
2016	9	30,750	-	-	9	30,750
2017	8	35,750	-	-	8	35,750
April 30, 2018	5	20,250	-	-	5	20,250
Total	23	92,000	-	1,675	23	90,325

The Corporation anticipates the remaining commitment for 2015 will be satisfied with the drilling of one well (0.05 net carried) in November 2015 related to a farm-out agreement as indicated in note 19 and various recompletion activities in the fourth quarter of 2015.

PVR Divestiture Capital Commitments

Pursuant to the PVR Divestiture as disclosed in note 8, Manitok is committed to spend a minimum capital commitment of \$10.0 million per year in 2016, 2017 and 2018 on drilling, completion, re-completion, workover, equipping and tie-in for the production of wells targeting the Carseland and/or Wayne areas. This commitment coincides with the PSK LIDCA commitment and is not incremental to that commitment.

Additionally, Manitok has committed to drill at least two gross wells per year in 2016, 2017 and 2018 in the Stolberg area.

Office Rent Commitment

Manitok is committed to operating leases relating to office premises expiring on November 30, 2017 and its previous office premises expiring on February 28, 2017. The Corporation has subleased approximately 70% of its previous office space to arm's length parties for the remainder of the lease term and is currently attempting to sublease the remaining available space. The Corporation is committed to the following aggregate minimum lease payments including expected operating costs:

Year	(\$000)
2015	627
2016	2,514
2017	1,484

Flow-through Share Commitments

The Corporation is committed to incur development expenditures of \$0.8 million on or before December 31, 2015, related to the Manito CDE Flow-through Share issuance completed in June 2015, as indicated in note 12d. As at September 30, 2015, the costs incurred for development expenditures were \$0.2 million leaving \$0.6 million to be spent before December 31, 2015.

The Corporation is committed to incur exploration expenditures of \$6.0 million on or before December 31, 2016, related to the Manito CEE Flow-through Share issuance completed in June 2015, as indicated in note 12e. Manito will be subject to Part XII.6 tax based on the prescribed rate on the balance of exploration expenditures not yet incurred at the end of each month subsequent to January 31, 2016. As at September 30, 2015, the costs incurred for exploration expenditures were \$0.2 million leaving \$5.8 million to be spent before December 31, 2016.

Facility Fee Commitments

In December 2014, Manito divested of its 100% working interest in certain oil and gas infrastructure in the Stolberg and Carseland areas for \$12.5 million. In June 2015, Manito divested of its 100% working interest in certain oil and gas infrastructure in the Wayne area for \$7.5 million. The Corporation has entered into an agreement for the exclusive use of the above-noted oil and gas infrastructure, which includes a monthly facility fee that is included in operating expenses. The Corporation is committed to the following annual facility fees associated with agreements for the exclusive use of oil and gas infrastructure:

Year	(\$000)
2015	734
2016	2,937
2017	2,937
2018	2,937
2019	2,937
2020	2,937
2021	2,937
2022	2,937
2023	506

19. SUBSEQUENT EVENTS

- On November 25, 2015, the Corporation fully satisfied the \$5.0 million required repayment on the non-revolving reducing demand loan facility, which was due on December 31, 2015.
- In the fourth quarter of 2015, the Corporation entered into a binding letter of intent to execute a farm-out agreement with a private oil and gas company ("**Farmee**") whereby the Farmee has committed to spend up to \$20.0 million from the fourth quarter of 2015 to the end of 2016 in the Rockyford area and depending on the level of success achieved with the drilling, may lead up to an additional \$20.0 million of capital spending, with the Farmee having an option to drill the offset wells before the end of 2017 ("**Farm-out Agreement**"). Manito will have the option, but not the obligation to participate in each well and will be carried for a 5% working interest by the Farmee in each well it does not participate. The entire capital spend from the Farm-out Agreement will be fully allocated to the Corporation's capital commitment pursuant to the PSK LIDCA.