

Q1 2015 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets

As at

(Thousands of Canadian dollars) (unaudited)

	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Accounts receivable (note 9)	**$ 24,127**	$ 30,793
Prepaid expenses and deposits	**1,847**	2,476
Financial derivative instruments (note 9)	**11,672**	18,434
	37,646	51,703
Financial derivative instruments (note 9)	**-**	7
Exploration and evaluation assets (note 3)	**32,654**	34,392
Property, plant and equipment (note 4)	**410,296**	412,961
Deferred tax assets (note 8)	**-**	62,482
	$ 480,596	$ 561,545
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	**$ 36,639**	$ 48,888
Other liabilities	**2,912**	3,500
Financial derivative instruments (note 9)	**1,036**	739
	40,587	53,127
Long-term debt (note 5)	**182,100**	174,700
Long-term incentive plan liability (note 7)	**387**	347
Decommissioning liabilities (note 6)	**70,969**	66,855
Shareholders' equity:		
Share capital (note 7)	**493,241**	493,241
Contributed surplus (note 7)	**953**	953
Deficit	**(307,641)**	(227,678)
	186,553	266,516
	$ 480,596	$ 561,545

Going Concern (note 2b)

See accompanying notes to the interim consolidated financial statements.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

Three months ended March 31

(Thousands of Canadian dollars except per share amounts) (unaudited)

		2015		2014
Petroleum and natural gas sales	**$**	**27,733**	$	77,917
Royalties		**(1,704)**		(14,025)
Revenues		**26,029**		63,892
Other income		**-**		1,191
Gain (loss) on financial derivative instruments (note 9)		**648**		(16,824)
Expenses				
Operating		**21,478**		29,235
Transportation		**2,200**		3,085
Finance		**3,649**		5,051
Depletion, depreciation and impairments (note 3 & 4)		**13,801**		21,508
General and administration		**2,982**		4,464
Long-term incentive plan (note 7)		**48**		487
		44,158		63,830
Income (loss) before taxes		**(17,481)**		(15,571)
Deferred taxes (recovery) (note 8)		**62,482**		(3,874)
Net income (loss) and comprehensive income (loss)	**$**	**(79,963)**	$	(11,697)
Net income (loss) per share: (note 7)				
Basic and diluted	**$**	**(0.63)**	$	(0.09)

See accompanying notes to the interim consolidated financial statements.

Consolidated Statements of Changes in Equity

Three months ended March 31

(Thousands of Canadian dollars except number of common shares) (unaudited)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, December 31, 2013	**128,076,720**	**$ 494,292**	**$ -**	**$ (43,998)**	**$ 450,294**
Net loss and comprehensive loss during the period	-	-	-	(11,697)	(11,697)
Dividends declared	-	-	-	(8,645)	(8,645)
Balance, March 31, 2014	**128,076,720**	**$ 494,292**	**$ -**	**$ (64,340)**	**$ 429,952**
Normal course issuer bid	(272,000)	(1,051)	953	-	(98)
Net loss and comprehensive loss during the period	-	-	-	(144,126)	(144,126)
Dividends declared	-	-	-	(19,212)	(19,212)
Balance, December 31, 2014	**127,804,720**	**$ 493,241**	**$ 953**	**$ (227,678)**	**$ 266,516**
Net loss and comprehensive loss during the period	-	-	-	(79,963)	(79,963)
Balance, March 31, 2015	**127,804,720**	**$ 493,241**	**$ 953**	**$ (307,641)**	**$ 186,553**

See accompanying notes to the interim consolidated financial statements.

Consolidated Statements of Cash Flows

Three months ended March 31

(Thousands of Canadian dollars) (unaudited)

	2015	2014
Cash provided by (used in)		
Operations		
Net loss	**$ (79,963)**	$ (11,697)
Items not involving cash:		
Depletion, depreciation and impairments (notes 3 & 4)	**13,801**	21,508
Accretion of decommissioning liabilities (note 6)	**1,392**	1,420
Long-term incentive (note 7)	**48**	487
Other non-cash items	**12**	-
Gain on property dispositions	**-**	(1,118)
Unrealized loss (gain) on financial derivative instruments (note 9)	**7,066**	9,300
Deferred taxes (recovery) (note 8)	**62,482**	(3,874)
Decommissioning expenditures (note 6)	**(1,092)**	(2,371)
Change in non-cash working capital (note 10)	**6,008**	(3,313)
Cash flow from operating activities	**9,754**	10,342
Financing		
Increase in long-term debt	**7,400**	7,900
Dividends declared	**-**	(8,645)
Cash flow from (used in) financing activities	**7,400**	(745)
Investing		
Capital expenditures	**(5,576)**	(17,847)
Property dispositions	**-**	5,328
Change in non-cash working capital (note 10)	**(11,578)**	2,922
Cash flow used in investing activities	**(17,154)**	(9,597)
Changes in cash	**-**	-
Cash beginning of period	**-**	-
Cash end of period	**$ -**	$ -

Cash is defined as cash and cash equivalents.
See accompanying notes to the interim consolidated financial statements.

1. Background and general information

Spyglass Resources Corp. ("Spyglass" or the "Company") is an oil and gas exploration and production company that conducts its operations in the Western Canadian Sedimentary Basin. Spyglass' head office is located at 1700, 250 2nd St. SW, Calgary, Alberta T2P 0C1. The Company's common shares are listed on the TSX under the symbol "SGL".

These interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 12, 2015.

2. Basis of presentation, significant accounting policies & going concern

(a) Statement of compliance & significant accounting policies

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

Recent accounting pronouncements and amendments effective January 1, 2015 have no impact on the Company's consolidated financial statements.

(b) Going concern

The condensed interim financial statements have been prepared in accordance with IFRS on a going concern basis, which asserts that the Company has the ability to realize its assets and discharge its liabilities and commitments in the normal course of business. Subsequent to March 31, 2015, the Company and its lenders signed a notice to lenders and consent form to extend its annual review and borrowing base determination from April 30, 2015 to May 29, 2015. The determination of the borrowing base incorporates factors including the Company's reserves and forward commodity prices which have been significantly impacted by recent global market conditions. Material uncertainty about the Company's ability to continue as a going concern could result should the annual borrowing base renewal result in a significant reduction in the borrowing base or should the credit facility, or a portion thereof, not be renewed on a revolving basis. These circumstances, should they occur, lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Further, should the circumstances described occur, there is no assurance that the Company would be able to access equity or debt financing that would be necessary to meet the Company's commitments. Management is taking steps to manage its liquidity and is investigating alternative financing arrangements, should they be necessary.

The Company continues to meet all of its obligations with respect to ongoing operations. The condensed interim consolidated financial statements do not reflect the adjustments to the carrying amounts of the Company'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.

3. Exploration and evaluation assets

		March 31, 2015		December 31, 2014
Balance, beginning of period	$	**34,392**	$	58,410
Cash additions		**145**		2,209
Capitalized long-term incentive		**-**		(2)
Dispositions		**-**		(1,201)
Transfers to property, plant and equipment		**(120)**		(889)
Transfers to assets held for sale		**-**		(4,159)
Expiries		**(1,763)**		(8,824)
Impairment		**-**		(11,152)
Balance, end of period	**$**	**32,654**		34,392

During 2014, the Company recorded impairment on its exploration and evaluation assets of $11.2 million ($8.4 million net of tax) in the North Oil cash generating unit as a result of changes is management's future development plans. The assets were written down to the estimated recoverable amount based on fair value less costs of disposal. The fair value less costs of disposal was estimated based on recent undeveloped sales in the area. This fair value measurement is non-recurring and is classified as level 2 in the fair value hierarchy (see note 9 for information on the fair value hierarchy).

4. Property, plant and equipment

		Cost		Accumulated depletion and depreciation		Net book Value
Balance, December 31, 2013	$	1,139,522	$	(430,799)	$	708,723
Additions		75,323		-		
Non-cash additions		271				
Capitalized long-term incentive		139		-		
Acquisitions		4,639		-		
Disposals		(182,446)		45,433		
Transfers from exploration and evaluation assets		889		-		
Transfers to assets held for sale		(64,866)		21,479		
Decommissioning provision		(9,196)		-		
Depletion and depreciation		-		(72,017)		
Impairment loss		-		(115,410)		
Balance, December 31, 2014	**$**	964,275	$	(551,314)	$	412,961
Additions		**5,431**		**-**		
Capitalized long-term incentive		**8**		**-**		
Transfers from exploration and evaluation assets		**120**		**-**		
Decommissioning provision		**3,814**		**-**		
Depletion and depreciation		**-**		**(12,038)**		
Balance, March 31, 2015	**$**	**973,648**	**$**	**(563,352)**	**$**	**410,296**

Future development costs of the Company's proved plus probable reserves of $208.3 million (December 31, 2014 – $211.3 million) were included in the depletion calculation.

In 2014, an impairment loss of $2.3 million was recorded upon the transfer of property, plant and equipment into assets held for sale to write the carrying amount down to the recoverable amount based on the fair value less costs of disposal. The fair value less costs of disposal was determined using the price per the sales agreement. The Company completed the sale of these assets in 2014. Later in the year, a decline in forecasted oil and natural gas prices caused the Company to record an additional $113.1 million ($84.8 million net of tax) of impairments. This comprised of impairments of $42.7 million ($32.0 million net of tax) in the North Gas CGU, $33.4 million ($25.0 million net of tax) in the Central CGU, $21.2 million ($15.9 million net of tax) in the North Oil

CGU and $15.8 million ($11.9 million net of tax) in the Dixonville CGU. These CGUs were written down to their recoverable amounts of $45.2 million for the North Gas CGU, $71.2 million for the Central CGU, $18.8 million for the North Oil CGU and $102.6 million for the Dixonville CGU based on the fair value less costs of disposal of the CGUs. The estimated fair value less costs of disposal was determined using future cash flows adjusted for risks specific to the assets and discounted using after tax discount rates of 10 to 12 percent, based on consideration of risk of the individual CGU's. Discount rates were derived from the post-tax weighted average cost of capital for Spyglass' peer group. This fair value measurement is non-recurring and is classified as level 3 in the fair value hierarchy (see note 9 for information on the fair value hierarchy).

5. Long-term debt

As at March 31, 2015, Spyglass had a $200 million revolving term credit facility with a syndicate of banks. Subsequent to March 31, 2015, the Company and its lenders signed a notice to lenders and consent form to extend the bank's annual review and borrowing base redetermination to May 29, 2015. Under the current agreement, the $200 million revolving credit facility is available on a revolving basis until May 29, 2015. On May 29, 2015, the facility may be extended for a further 364-day period at the request of the Company, subject to approval by the banks. Alternatively, the facility would be available on a non-revolving basis for a period of 366 days from the original renewal date of April 28, 2015, at which time the facility would be due and payable. The credit facility bears interest at the bank's prime rate or Bankers' Acceptance rates plus stamping fees. The facility is secured by a $1 billion first floating charge debenture and a general security agreement. At March 31, 2015, $182.1 million was drawn on this facility (December 31, 2014 - $174.7 million). The Company is subject to certain non-financial covenants in its credit facility agreement. Covenants include reporting requirements, permitted dispositions, permitted financial derivatives, permitted encumbrances and other standard business operating covenants. The Company is not subject to any financial covenants. As at March 31, 2015 the Company is in compliance with all covenants. The available level of credit is subject to semi-annual review by the syndicate of banks and may be adjusted for changes in reserves, commodity prices and other factors. The Company had $1.2 million in letters of credit outstanding at March 31, 2015.

6. Decommissioning liabilities

The Company's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Company estimates the total undiscounted amount of cash flow required to settle its decommissioning obligations is approximately $364.8 million (December 31, 2014 – $348.9 million) which will be incurred over the operating lives of the assets, with the majority of costs to be incurred between 2017 and 2050. An inflation factor of 2% has been applied to the estimated decommissioning cost at March 31, 2015 and December 31, 2014. The Company's credit-adjusted risk-free rate of 8% was used to calculate the fair value of the decommissioning liabilities at March 31, 2015 and December 31, 2014.

A reconciliation of the decommissioning liability is provided below:

	March 31, 2015	December 31, 2014
Balance, beginning of period	**$ 66,855**	$ 83,752
Acquired	**-**	1,337
Change in estimate	**3,812**	(9,955)
Liabilities incurred	**2**	759
Liabilities settled	**(1,092)**	(6,762)
Liabilities transferred on sale of assets	**-**	(5,677)
Liabilities associated with assets held for sale	**-**	(2,323)
Accretion expense	**1,392**	5,724
Balance, end of period	**$ 70,969**	$ 66,855

7. Share Capital

(a) Authorized:

The authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series.

(b) Issued and outstanding:

	Number of Shares		Amount
Common shares:			
Balance, December 31, 2013	128,076,720	$	494,292
Normal course issuer bid	(272,000)		(1,051)
Balance, December 31, 2014	127,804,720	$	493,241
	-		-
Balance, March 31, 2015	**127,804,720**	**$**	**493,241**

On December 18, 2014, the TSX accepted the Company's notice to make a normal course issuer bid to purchase its outstanding common shares on the open market. The TSX authorized the Company to purchase up to 12,460,689 common shares during the period from December 22, 2014 to December 21, 2015. Shares purchased under the bid will be cancelled. During 2014, there were 272,000 shares purchased at a weighted average cost of $0.36 per share. As the carrying value of the purchased shares was $3.86 per share, the $1.0 million difference between the carrying amount and the purchased amount was recorded as contributed surplus. No shares were purchased under the bid in 2015.

(c) Earnings per share:

Basic earnings per share amounts are calculated by dividing net income (loss) for the period by the weighted average number of common shares outstanding during the periods.

The following table shows the calculation of basic and diluted earnings per share for the periods:

Three months ended March 31		**2015**		2014
Net income (loss) for the period	**$**	**(79,963)**	$	(11,697)
Weighted average number of common shares - basic & diluted		**127,804,720**		128,076,720
Basic and diluted net income (loss) per share	**$**	**(0.63)**	$	(0.09)

As of March 31, 2015 and 2014 there were no dilutive instruments outstanding.

(d) Long-term incentive plans

The Company's long-term incentive plan for employees and management includes a blend of two types of share based awards depending on roles and responsibilities within the organization: restricted share units ("RSUs") and performance share units ("PSUs"). RSUs vest evenly over a three year period. PSUs vest three years from the date of grants and the awards granted are subject to a performance multiplier ranging from 0 to 2. The Company also grants director restricted share units ("DRSU") to non-management directors of the organization. DRSUs vest three years from the date of grant. RSUs, PSUs and DRSUs are to be settled in cash, based on the share price at the time of vesting. The number of share equivalent units at the time of vesting increases commensurately with each dividend declared by the Company after the grant date.

A summary of RSU, PSU and DRSU activity is presented below:

	Number of RSUs	Number of PSUs	Number of DRSUs
Balance, December 31, 2013	1,516,494	1,111,043	172,247
Granted	1,700,915	854,366	218,618
Reinvested through notional dividends	304,819	258,462	46,930
Forfeited	(470,942)	(260,367)	-
Settled	(641,584)	-	(21,092)
Balance, December 31, 2014	2,409,702	1,963,504	416,703
Granted	**10,734**	**-**	**-**
Forfeited	**(105,638)**	**-**	**-**
Settled	**(37,837)**	**-**	**(45,593)**
Balance, March 31, 2015	**2,276,961**	**1,963,504**	**371,110**

(e) Long-term incentive plan expense

The Company accounts for its LTIP using the fair value method, which includes revaluing to market value at the end of each period. Under this method, a compensation expense is charged over the vesting period.

8. Deferred taxes

Deferred income tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable income will be available in the future against which the unused tax losses and credits can be utilized. As at March 31, 2015, the Company has $125.3 million of unrecognized deferred tax assets (December 31, 2014 - $58.4 million). Spyglass has approximately $883 million of tax pools available for deduction against future taxable income.

The following is a continuity of the associated temporary differences of the Company's unrecognized deferred tax asset:

	Balance December 31, 2014	Deferred tax recovery (expense)	**Balance March 31, 2015**
Petroleum and natural gas assets	$ 44,786	$ 1,591	$ **46,377**
Decommissioning liabilities	16,714	1,028	**17,742**
Financial derivative instruments	(4,426)	1,767	**(2,659)**
Share issue costs	2,044	(26)	**2,018**
Other	173	(1)	**172**
Non-capital losses	61,607	-	**61,607**
Subtotal	120,898	4,359	**125,257**
Unrecognized deferred tax asset	(58,416)	(66,841)	**(125,257)**
Total deferred tax asset	**$ 62,482**	**$ (62,482)**	**$ -**

9. Financial instruments

Financial instruments comprise accounts receivable, financial derivative instruments, accounts payable and accrued liabilities, long-term incentive plan liability and long-term debt.

There are three levels of the fair value hierarchy by which a financial instrument can be classified:

Level 1- Quoted prices in active markets for identical assets and liabilities such as traded securities on a registered exchange where there are a sufficient frequency and volume of transactions to provide ongoing pricing information.

Level 2- Inputs other than quoted prices that are observable for the asset and liability either directly or indirectly such as quoted forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace; and

Level 3- Inputs that are not based on observable market data

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between the fair value hierarchy levels in the period.

The Company's finance department is responsible for performing the valuation of financial instruments including level 3 fair values. The valuation process and results are reviewed and approved by management at least once every quarter, in line with the Company's quarterly reporting dates.

The fair values of accounts receivable and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term maturities. The Company's long-term debt bears interest at a floating market rate and accordingly the fair market value approximates the carrying value.

The long term incentive plan liability is recorded at fair value at each reporting period based on quoted market prices of the underlying shares and is a level 1 financial instrument.

The Company's financial derivative instruments are carried at fair value on a recurring basis at each reporting date and are considered a Level 2 instrument. The fair value is determined by reference to independent monthly forward settlement prices, currency rates and interest rates.

The following table summarizes Spyglass' financial instruments as at March 31, 2015 and December 31, 2014:

March 31, 2015	Fair value through profit and loss	Fair value through OCI	Loans and receivables	Financial liabilities	**Total carrying value**
Assets					
Accounts receivable	$ -	$ -	$ 24,127	$ -	**$ 24,127**
Derivatives - Commodity contracts	11,672	-	-	-	**11,672**
Investments	-	-	-	-	**-**
	$ 11,672	**$ -**	**$ 24,127**	**$ -**	**$ 35,799**
Liabilities					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 36,639	**$ 36,639**
Derivatives - Interest Rate Swap	257	-	-	-	**257**
Derivatives - Commodity contracts	779	-	-	-	**779**
Long-term incentive plan liability	-	-	-	387	**387**
Long-term debt	-	-	-	182,100	**182,100**
	$ **1,036**	**$ -**	**$ -**	**$ 219,126**	**$ 220,162**

December 31, 2014	Fair value through profit and loss	Fair value through OCI	Loans and receivables	Financial liabilities	Total carrying value
Assets					
Accounts receivable	$ -	$ -	$ 30,793	$ -	$ 30,793
Derivatives - Interest Rate Swap	34	-	-	-	34
Derivatives - Commodity contracts	18,407	-	-	-	18,407
	$ 18,441	$ -	$ 30,793	$ -	$ 49,234
Liabilities					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 48,888	$ 48,888
Derivatives - Commodity contracts	739	-	-	-	739
Long-term incentive plan liability	-	-	-	347	347
Long-term debt	-	-	-	174,700	174,700
	$ 739	$ -	$ -	$ 223,935	$ 224,674

Financial assets and financial liabilities are only offset if Spyglass has the current legal right to offset and intends to settle on a net basis. Financial derivative instruments are subject to master netting arrangements that create a legally enforceable right to offset financial assets and financial liabilities by counterparty when the commodity, currency and timing of settlement are the same. No financial assets and liabilities were offset in the consolidated balance sheet as at March 31, 2015 and December 31, 2014.

The following table summarizes the financial derivatives Spyglass has outstanding as at March 31, 2015 and December 31, 2014 and their estimated fair value:

Commodity risk management contracts					**Fair Value as at**	
Instrument	Period	Price	Reference	Quantity	**March 31, 2015**	December 31, 2014
Crude Oil Contracts						
Swap	Jan 1, 2015 - Mar 31, 2015	$96.20	CDN$ WTI	500 bbl/d	**$ -**	$ 1,504
Swap	Jan 1, 2015 - Mar 31, 2015	$96.50	CDN$ WTI	500 bbl/d	**-**	1,517
Swap	Jan 1, 2015 - Jun 30, 2015	$98.40	CDN$ WTI	500 bbl/d	**1,609**	3,112
Swap	Jan 1, 2015 - Dec 31, 2015	-$22.80	CDN$ WCS [(1)]	500 bbl/d	**(780)**	(739)
Swap	Jan 1, 2015 - Dec 31, 2015	$101.15	CDN$ WTI	500 bbl/d	**4,722**	6,328
Swap	Apr 1, 2015 - Dec 31, 2015	$99.10	CDN$ WTI	500 bbl/d	**4,446**	4,342
					$ 9,997	$ 16,064
Natural Gas Contracts						
Swap	Jan 1, 2015 - Mar 31, 2015	$3.7625	CDN$ GJ	2,000 GJ/d	**$ -**	$ 174
Swap	Jan 1, 2015 - Mar 31, 2015	$4.10	CDN$ GJ	3,000 GJ/d	**-**	352
Swap	Jan 1, 2015 - Mar 31, 2015	$4.14	CDN$ GJ	2,000 GJ/d	**-**	242
Swap	Jan 1, 2015 - Jun 30, 2015	$4.2025	CDN$ GJ	3,000 GJ/d	**458**	836
Swap	Apr 1, 2015 - Dec 31, 2015	$2.94	CDN$ GJ	3,000 GJ/d	**258**	-
Swap	Apr 1, 2015 - Dec 31, 2015	$2.8450	CDN$ GJ	3,000 GJ/d	**180**	-
					$ 896	$ 1,604
Total					**$ 10,893**	$ 17,668

[(1)] Fixed $ WCS versus WTI

Interest rate risk management contract					**Fair Value as at**	
Instrument	Period	Notional Amount	Reference	Fixed Interest Rate	**March 31, 2015**	December 31, 2014
Swap	Jan 14, 2014 - Jan 14, 2016	$75,000,000	CAD-BA-CDOR	1.281%	**$ (257)**	$ 34
Total					**$ (257)**	$ 34

For the three months ended March 31, 2015, Spyglass recorded a realized gain of $7.7 million (three months ended March 31, 2014 – $7.5 million loss) and an unrealized loss of $7.1 million (three months ended March 31, 2014 – $9.3 million).

Subsequent to March 31, 2015, Spyglass entered into the following derivative commodity contract:

- An AECO natural gas swap contract for 3,000 GJ/d for the period June 1, 2015 to October 31, 2015 with a fixed price of $2.66 CAD/GJ.

10. Supplemental Information

(a) Cash flow information:

The following is a reconciliation of the balance sheet changes in working capital items to the balances recorded on the Consolidated Statements of Cash flows as change in non-cash working capital:

Three months ended March 31,		**2015**		2014
Change in non-cash working capital:				
Accounts receivable	**$**	**6,666**	$	(9,023)
Prepaid expenses and deposits		**629**		61
Accounts payable and accrued liabilities		**(12,249)**		8,809
Other liabilities		**(588)**		-
Change in incentive plan liability		**(16)**		(238)
Non-cash portion of of prepaid expenses		**(12)**		-
Change in working capital	**$**	**(5,570)**	$	(391)
Relating to:				
Operating activities		**6,008**		(3,313)
Investing activities		**(11,578)**		2,922
Change in non-cash working capital	**$**	**(5,570)**	$	(391)

(b) Cash interest paid:

The following represents the cash interest paid in each period:

Three months ended March 31,		**2015**		2014
Cash interest paid	**$**	**2,141**	$	4,890