Marksmen Energy Inc.

Consolidated Financial Statements
September 30, 2015
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited Interim Consolidated Financial Statements for the three and nine month period ended September 30, 2015 and 2014

Management's Responsibility

To the Shareholders of Marksmen Energy Inc.:

Management is responsible for the preparation, integrity and fair presentation of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and necessarily include amounts based on managements informed judgements and estimates. Financial information contained in management's discussion and analysis is consistent with the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control systems. The Audit committee is composed of three directors, two of whom are independent directors who are not employees of the Company. The Audit Committee is responsible for reviewing the consolidated financial statements and recommending them to the Board of Directors for approval. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

November 26, 2015

"SIGNED"	*"SIGNED"*
Archie Nesbitt	John McIntyre
President and Chief Executive Officer	Chief Financial Officer

Marksmen Energy Inc.

Consolidated Statements of Financial Position

As at:

(Unaudited)

	September 30, 2015	December 31, 2014
	$	$
Assets		
Current assets		
Cash and cash equivalents (note 13(b))	**58,062**	96,150
Trade and other receivables (note 13(b))	**202,394**	153,136
Deposits and prepaid expenses (note 11)	**151,086**	166,290
Total current assets	**411,542**	415,576
Non-current assets		
Exploration and evaluation assets (note 5)	**1,645,361**	924,800
Property and equipment (note 6)	**2,520,075**	1,869,084
Total assets	**4,576,978**	3,209,460
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**396,201**	288,368
Decommissioning liabilities (note 8)	**251,694**	169,008
Total current liabilities	**647,895**	457,376
Non-current liabilities		
Secured debenture (note 9)	**1,220,671**	734,770
Decommissioning liabilities (note 8)	**127,949**	303,262
Total liabilities	**1,996,515**	1,495,408
Equity		
Share capital (note 10(b))	**16,036,038**	15,426,684
Warrants (note 10(e))	**1,182,080**	903,243
Contributed surplus (note10(g))	**3,342,390**	2,971,349
Accumulated other comprehensive income	**104,307**	132,215
Deficit	**(18,084,352)**	(17,719,439)
Total equity	**2,580,463**	1,714,052
Total liabilities and equity	**4,576,978**	3,209,460

Going concern (note 1)
Commitments (note 11)
Subsequent events (note 16)

Approved by the Board of Directors:

Signed “Erich Boechler”
Erich Boechler

Signed “Archie Nesbitt”
Archie Nesbitt

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

Marksmen Energy Inc.

Consolidated Statements of Comprehensive Income (Loss)

For the three and nine months ended:

(Unaudited)

	Three months ended September 30, 2015	Three months ended September 30, 2014	**Nine months ended September 30, 2015**	Nine months ended September 30, 2014
	$	$	**$**	$
Revenue				
Petroleum and natural gas revenue	**162,014**	288,852	**292,510**	374,363
Royalties	**(21,033)**	(36,751)	**(37,835)**	(47,609)
	140,981	252,101	**254,675**	326,754
Expenses				
Production and operating expenses	**34,753**	39,177	**97,757**	45,065
Depletion and depreciation (note 6)	**133,470**	18,962	**222,580**	24,167
Impairment of property and equipment	**-**	3,641	**-**	10,068
Consulting fees	**35,824**	71,686	**173,274**	203,850
Professional fees	**29,745**	45,229	**125,125**	148,225
Investor relations and conference	**15,371**	25,356	**63,671**	96,110
Filing and listing costs	**22,870**	20,335	**31,720**	48,721
Ohio administrative expenses	**11,166**	9,700	**35,659**	44,963
General and administrative	**42,679**	71,284	**131,079**	137,098
Share-based payments (note 10(d))	**36,799**	169,766	**146,917**	230,848
Loss from operations	**(221,696)**	(223,035)	**(773,107)**	(662,361)
Finance income (expense)				
Interest expense	**(35,527)**	(22,500)	**(82,130)**	(67,500)
Bad debt recovery (note 13(b))	**-**	39,553	**-**	87,403
Foreign exchange gain	**251,531**	115,564	**466,853**	22,157
Accretion of debenture (note 9)	**(5,495)**	(3,432)	**(12,847)**	(9,838)
Abandonment recovery (note 8)	**40,628**	-	**40,628**	-
Accretion of decommissioning liabilities (note 8)	**(1,449)**	(1,642)	**(4,310)**	(4,275)
Net financing income	**249,688**	127,543	**408,194**	27,947
Net income (loss) and comprehensive income (loss) for the period	**27,992**	(95,492)	**(364,913)**	(634,414)
Other comprehensive income that may be subsequently transferred to net income				
Currency translation adjustment	**(15,559)**	3,671	**(27,908)**	66,429
Total comprehensive income (loss) for the period	**12,433**	(91,821)	**(392,821)**	(567,985)
Basic and fully diluted income (loss) per share (note 10(h))	**0.00**	(0.00)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding during the period	**61,775,236**	54,096,506	**59,961,684**	45,691,657

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

Marksmen Energy Inc.

Consolidated Statements of Changes in Equity (Deficit)

For the nine months ended:

(Unaudited)

	Share capital	Warrants	Contributed surplus	Deficit	Accumulated other comprehensive income	Total equity (deficit)
Balance, December 31, 2013	12,965,740	623,990	2,378,945	(16,780,142)	76,900	(734,567)
Loss for the period	-	-	-	(634,414)		(634,414)
Unrealized foreign exchange on translation	-	-	-	-	66,429	66,429
Units issued pursuant to private placements	524,836	900,245	-	-	-	1,425,081
Cash share issue costs	(17,986)	(32,967)	-	-	-	(50,953)
Broker warrants issued	(11,506)	(21,956)	33,462	-	-	-
Share-based payments	-	-	376,441	-	-	376,441
Exercise of stock options	34,000	-	-	-	-	34,000
Reallocation of stock option fair value on exercise	27,712	-	(27,712)	-	-	-
Exercise of broker warrants	16,960	-	-	-	-	16,960
Reallocation of broker warrant fair value on exercise	16,081	-	(16,081)	-	-	-
Exercise of warrants	1,376,683	-	-	-	-	1,376,683
Reallocation of warrant fair value on exercise	383,306	(383,306)	-	-	-	-
Reallocation of warrant fair value on expiry	-	(23,247)	23,247	-	-	-
Balance, September 30, 2014	15,315,826	1,062,757	2,768,303	(17,414,556)	143,329	1,875,659
Balance, December 31, 2014	15,426,684	903,243	2,971,349	(17,719,439)	132,215	1,714,052
Loss for the period	-	-	-	(364,913)	-	(364,913)
Translation differences on foreign subsidiary	-	-	-	-	(27,908)	(27,908)
Units issued pursuant to private placements	577,115	368,295	-	-	-	945,410
Cash share issue costs	(12,757)	(7,357)	-	-	-	(20,114)
Broker warrants issued	(2,570)	(1,637)	4,207	-	-	-
Exercise of warrants	44,999	-	-	-	-	44,999
Reallocation of warrant fair value on exercise	2,567	(2,567)	-	-	-	-
Reallocation of warrant fair value on expiry	-	(104,843)	104,843	-	-	-
Warrants issued pursuant to secured debenture	-	26,946	-	-	-	26,946
Share-based payments	-	-	261,990	-	-	261,990
Balance, September 30, 2015	16,036,038	1,182,080	3,342,390	(18,084,352)	104,307	2,580,463

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

Marksmen Energy Inc.

Consolidated Statements of Cash Flows

For the nine months ended:

(Unaudited)

	September 30, 2015	September 30, 2014
	$	$
Cash (used in) provided by:		
Operating activities		
Net loss for the period	**(364,913)**	(634,414)
Adjustments for:		
Depletion and depreciation	**222,580**	24,167
Accretion of decommissioning liabilities	**4,310**	4,275
Abandonment recovery	**(40,628)**	-
Accretion of debenture	**12,847**	9,838
Impairment of property and equipment	-	10,068
Share-based payments	**146,917**	230,848
Unrealized foreign exchange on translation	**(391,244)**	32,902
	(410,131)	(322,316)
Change in trade and other receivables	**(45,475)**	(171,088)
Change in deposits and prepaid expenses	**15,204**	1,821
Change in accounts payable and accrued liabilities	**(55,350)**	(299,656)
Net cash used in operating activities	**(495,752)**	(791,239)
Investing activities		
Property and equipment expenditures	**(472,485)**	(21,779)
Exploration and evaluation expenditures	**(611,925)**	(1,697,506)
Abandonment costs	**(87,622)**	-
Change in non-cash working capital	**159,401**	(413,478)
Net cash used in investing activities	**(1,012,631)**	(2,132,763)
Financing activities		
Proceeds from private placement, net of cash issue costs	**925,296**	1,374,128
Proceeds from issuance of secured debenture	**500,000**	-
Proceeds from exercise of warrants	**44,999**	1,376,683
Proceeds from exercise of stock options	-	34,000
Proceeds from exercise of broker warrants	-	16,960
Change in non-cash working capital	-	(101,000)
Net cash generated from financing activities	**1,470,295**	2,700,771
Change in cash	**(38,088)**	(223,231)
Cash and cash equivalents, beginning of period	**96,150**	644,549
Cash and cash equivalents, end of period	**58,062**	421,318

Additional information:		
Interest paid on secured debenture	**44,630**	**90,750**

1 Reporting entity

Marksmen Energy Inc. (the "Company") is involved in the exploration for, development of and production of petroleum and natural gas properties in Ohio. The Company was incorporated in Canada under the laws of the Alberta Business Corporations Act on March 14, 1997. The Company is listed on the TSX Venture Exchange under the symbol "MAH.V" and on the OTCQB Venture Marketplace under the symbol "MKSEF". The Company's registered office is located at Suite 1600 Dome Tower, 333-7th Avenue SW, Calgary, Alberta, Canada, T2P 2Z1.

At September 30, 2015, the Company had not yet achieved profitable operations, had accumulated a deficit of $18,084,352 since its inception (December 31, 2014 - $17,719,439), working capital deficiency of $236,353 (December 31, 2014 – deficiency of $41,800), negative cash flow from operations of $495,752 (December 31, 2014 - $828,563) and expects to incur further losses in the development of its business. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent on obtaining continued financial support, completing public equity financing, or generating profitable operations in the future. The Company successfully completed three private placements during the nine months ended September 30, 2015 (note 10(b)(iii and iv)). Management is committed to raising additional capital to achieve its intended development, however, additional equity financing is subject to the global financial markets and economic conditions, which have recently been disrupted and are volatile, and the debt and equity markets, which have been distressed, particularly for junior petroleum and natural gas companies. Any adjustments necessary to the consolidated financial statements if the Company ceases to be a going concern could be material.

2 Basis of presentation

a) Statement of compliance:

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – *"Interim Financial Reporting"* as issued by the International Accounting Standards Board ("IASB") using the accounting policies and methods of computation disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2014. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and exclude certain disclosures required to be included in annual consolidated financial statements.

These financial statements were authorized for issue by the Board of Directors on November 26, 2015.

b) Basis of consolidation:

The interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Marksmen Energy USA, Inc. The subsidiary is fully consolidated from the date of acquisition, being the date of which the Company obtained control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent, using consistent accounting policies. Any balances, unrealized gains and losses, or income and expenses from intra-company transactions are fully eliminated upon consolidation.

c) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for share-based payment transactions and investments, which are measured at fair value, as explained in note 3 – Significant Accounting Policies to the annual financial statements.

d) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency. Marksmen Energy USA Inc.'s functional currency is United States Dollars.

e) Use of estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended December 31, 2014.

3 Recent accounting pronouncements

The Company has reviewed the new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company. The Company has not quantified the effect of the following:

IFRS 15 – "Revenue from contracts with customers", replaces International Accounting Standard 11, "Construction Contracts", IAS 18, "Revenue", and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. This IFRS becomes effective for annual periods beginning on or after January 1, 2017 with earlier adoption permitted. The standard may be applied retrospectively or using a modified retrospective approach.

IFRS 9 – "Financial Instruments", which is the result of the first phase of the IASB's project to replace IAS 39 – "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. This IFRS becomes effective for periods beginning on or after January 1, 2018.

4 Equity investment

The Company has suspended business negotiations with a US Private Company ("US PrivateCo.") initiated in the year ended December 31, 2011, and as at September 30, 2015, no assurance can be given that any agreement with US PrivateCo. will be reached with respect to either new business terms or moving forward with the necessary technical work to produce the properties. The impact to the Company is not known at this time.

During the year ended December 31, 2012, the Company's share of the US PrivateCo. losses were in excess of Company's interest and accordingly the investment was reduced to $nil. The Company has discontinued recognizing its share of any further losses.

5 Exploration and evaluation assets

	E&E assets
	$
Balance, December 31, 2013	230,248
Expenditures on exploration and evaluation assets	940,927
Transfers to property and equipment (note 6)	(289,052)
Foreign currency translation	42,677
Balance, December 31, 2014	924,800
Expenditures on exploration and evaluation assets	611,925
Foreign currency translation	108,636
Balance, September 30, 2015	1,645,361

Exploration and evaluation ("E&E") assets consist of the Company's exploration projects which are pending the determination of technological feasibility and commercial viability. As at September 30, 2015, the Company has $1,645,361 in E&E assets (December 31, 2014 - $924,800). The additions represent the acquisition of undeveloped land and seismic activity within Ohio, USA. The transfers to property and equipment reflect assets in which technological feasibility and commercial viability have been established. Prior to the transfer to property and equipment, the E&E assets are added to the net book value of the appropriate CGU, which is subsequently tested for impairment. There was no impairment recognized on the transfers of the E&E assets to property and equipment.

6 Property and equipment

	Oil and Natural Gas Interests	Corporate and Other	Total
	$	$	$
Cost, December 31, 2013	480,223	18,622	498,845
Additions	1,597,365	-	1,597,365
Transfer from exploration and evaluation (note 5)	289,052	-	289,052
Changes in estimate of decommissioning liabilities (note 8)	126,089	-	126,089
Foreign currency translation	(5,372)	-	(5,372)
Cost, December 31, 2014	2,487,357	18,622	2,505,979
Accumulated depletion, depreciation and impairment	(480,223)	(13,524)	(493,747)
Depreciation and depletion for the period	(106,901)	(1,419)	(108,320)
Impairment loss (note 7)	(34,828)	-	(34,828)
Carrying value, December 31, 2014	1,865,405	3,679	1,869,084

	Oil and Natural Gas Interests $	Corporate and Other $	Total $
Cost, December 31, 2014	2,487,357	18,622	2,505,979
Additions	586,495	1,062	587,557
Changes in estimate of decommissioning liabilities (note 8)	18,731	-	18,731
Foreign currency translation	302,677	-	302,677
Cost, September 30, 2015	3,395,260	19,684	3,414,944
Accumulated depletion, depreciation and impairment	(621,952)	(14,943)	(636,895)
Depreciation and depletion for the period	(221,684)	(896)	(222,580)
Foreign currency translation	(35,394)	-	(35,394)
Carrying value, September 30, 2015	2,516,230	3,845	2,520,075

During the nine months ended September 30, 2015, the Company completed the abandonment of substantially all of its Canadian petroleum and natural gas assets. Reclamation of these assets has not yet occurred. The remaining Canadian petroleum and natural gas assets continued to be shut-in during the three and nine months ended September 30, 2015.

7 Impairment loss

At December 31, 2014, as a result of a decrease in forecast oil and natural gas prices, an indication of potential impairment was identified. Recoverable amounts for the Company's oil and gas assets were estimated based on FVLCD, calculated using the present value of the CGUs' expected future cash flows (after-tax). The primary source of cash flow information was derived from a report on the Company's oil and gas reserves which was prepared by an independent qualified reserve evaluator. The projected cash flows reflect current market assessments of key assumptions, including long-term forecasts of commodity prices, inflation rates, and foreign exchange rates. Cash flow forecasts are also based on past experience, historical trends and an evaluation of the Company's reserves and resources to determine production profiles and volumes, operating costs, maintenance and future development capital expenditures. Production profiles, reserves volumes, operating costs, capital expenditures are consistent with the estimates approved through the Company's annual reserves evaluation process. The after-tax discount rate applied in the impairment calculation as at December 31, 2014 was 10% applied to proven reserves and 15% applied to probable reserves. Based on the assessment at December 31, 2014, the recoverable amount of the Company's Ohio, USA CGU exceeded its carrying value, and accordingly, no impairment losses were recorded.

During the year ended December 31, 2013, the Company impaired its oil and natural gas assets in its Alder Flats CGU to $nil. The Alder Flats CGU, which at the time was the Company's only oil and natural gas asset, had been shut-in for in excess of two years, which combined with the Company's refocus to its Ohio, USA exploration project, and the continued decline in reserves and commodity prices, resulted in management's assessment that the carrying amount of the CGU was impaired resulting in a $131,934 charge to earnings. During the year ended December 31, 2014, the Company continued to impair its oil and natural gas assets in its Alder Flats CGU to $nil resulting in an impairment charge of $34,828.

Forecast future prices used in the impairment evaluation as at December 31, 2014 reflect benchmark prices adjusted for basis differentials to determine local reference prices, transportation costs and tariffs, heat content and quality

8 Decommissioning liabilities

The Company has estimated the net present value of the decommissioning liabilities to be $379,643 as at September 30, 2015 (December 31, 2014 - $472,270), of which $251,694 is current (December 31, 2014 - $169,008). The total undiscounted amount of estimated future cash flows is $382,792 (December 31, 2014 - $490,226). These payments are expected to be made over the next 8 years. The obligations have been calculated using an inflation rate of 2% (December 31, 2014 – 2%) and a discount factor, being the risk-free rate related to the liability, of 0.52% - 2.09% (December 31, 2014 –1.10% - 2.40%). Included in the Company's decommissioning liability is its 1% ownership in the oil and natural gas assets of a private company in which there are two common directors between the Company and the private company (the "PrivateCo.") (note 11).

During the nine months ended September 30, 2015, the Company completed the abandonment of substantially all of its Canadian petroleum and natural gas assets. Reclamation of these assets has not yet occurred. The Company recorded an abandonment recovery of $40,628 as the estimated capitalized abandonment costs were previously impaired. This gain is included in the "revisions – changed estimates" line item below.

	September 30, 2015	December 31, 2014
	$	$
Balance, beginning of period	**472,270**	358,241
Liabilities incurred	**9,811**	90,023
Revisions – changed estimates	**(31,709)**	36,066
Abandonment costs	**(87,622)**	(17,982)
Accretion	**4,310**	5,922
Foreign currency translation	**12,583**	-
Less: current portion	**(251,694)**	(169,008)
Balance, end of period	**127,949**	303,262

9 Secured debentures

On June 28, 2013, the Company closed a secured debenture (the "Debenture") for gross proceeds of $750,000. The funds received under the Debenture were used by the Company to conduct the initial 3D Seismic program and to fund the work required to the drilling stage on the Houghton Project in Ohio, USA. The Debenture bears interest of 12% per annum, the first payment was due and paid by the Company on June 28, 2014, and each subsequent payment due and payable semi-annually on December 31 and June 30 of each year commencing on December 31, 2014. As of September 30, 2015, the Company has incurred $202,880 of interest expense (December 31, 2014 - $135,750), of which $67,130 was incurred during the nine months ended September 30, 2015 (December 31, 2014 - $90,000). The Company has made all of the required interest payments, including $44,630 on June 30, 2015. Pursuant to the original Debenture agreement (the "Original Agreement"), the Debenture matures on January 31, 2016. However, on June 19, 2015, the terms of the Original Agreement were revised to extend the maturity date until December 31, 2018 and to extend the expiry date of the share purchase warrants until June 28, 2018, all other terms and conditions remain unchanged. The Company may, at any time, repay the Debenture in full and any accrued and unpaid interest without notice or penalty. If the Company is in default of the requirements included in the Debenture agreement, the Debenture holder may demand repayment of the Debenture or accelerate the date for payment. Security for the Debenture includes a general security agreement against the Company's present and after-acquired personal property and all proceeds thereof.

Pursuant to the Debenture, the Company issued to the Debenture holder 2,666,667 share purchase warrants. Each warrant is exercisable into one common share of the Company at a price of $0.17 per common share until the expiry date of the earlier of: (i) two months following payment in full of the Debenture; or (ii) June 30, 2017 (which was extended until June 28, 2018). During the nine months ended September 30, 2015, 264,700 of the warrants were exercised (December 31, 2014 - 267,000) (note 10(e)).

The Company valued the warrant feature of the debenture using the residual method (the "Residual Method"). Using this method, the fair value of the debt component was calculated using an estimated market rate for similar debt without warrants or a conversion feature. The liability component was $715,519 and the equity component was $34,481, which net of tax is $25,861.

On June 19, 2015, the Company closed an additional secured debenture (the "Debenture B") for gross proceeds of $500,000. The funds received under the Debenture B have been deployed towards the continued developed of projects in Ohio, USA. The Debenture B bears interest of 12% per annum, with the first payment due and payable by the Company on December 31, 2015, with each subsequent payment due and payable semi-annually on December 31 and June

30 of each year commencing on December 31, 2015. As of September 30, 2015, the Company has incurred $16,973 of interest expense. The Debenture B matures on December 31, 2018. The Company may, at any time, repay the Debenture B in full and any accrued and unpaid interest without notice or penalty. If the Company is in default of the requirements included in the Debenture B agreement, the Debenture B holder may demand repayment of the Debenture B or accelerate the date for payment. Security for the Debenture B includes a general security agreement against the Company's present and after-acquired personal property and all proceeds thereof.

Pursuant to the Debenture B, the Company issued to the Debenture B holder 1,777,778 share purchase warrants. Each warrant is exercisable into one common share of the Company at a price of $0.25 per common share until the expiry date of the earlier December 31, 2018.

The Company valued the warrant feature of the Debenture B using the Residual Method. The liability component was $473,054 and the equity component was $26,946, which net of tax is $20,210.

	Debenture	**Debenture B**
	$	**$**
Balance, December 31, 2013	**721,500**	**-**
Accretion of debenture	13,270	-
Balance, December 31, 2014	**734,770**	**-**
Issue of Debenture B	-	500,000
Debenture B warrants	-	(26,946)
Accretion of debenture	11,290	1,557
Balance, September 30, 2015	**746,060**	**474,611**

10 Share capital

a) Authorized

Unlimited number of common shares with voting rights
Unlimited number of preferred shares, issuable in series

b) Issued

	Number of Common Shares	Amount $
Balance, December 31, 2013	36,009,132	12,965,740
Shares issued pursuant to private placement (i)	985,000	60,059
Shares issued pursuant to private placement (ii)	8,137,225	464,777
Share issue costs (ii)	-	(29,492)
Exercise of stock options (note 10(c))	183,333	34,000
Reallocation of fair value upon exercise of stock options	-	27,712
Exercise of broker warrants (note 10(f))	106,000	16,960
Reallocation of fair value upon exercise of broker warrants (note 10(f))	-	16,081
Exercise of warrants (note 10(e))	10,035,028	1,436,729
Reallocation of fair value upon exercise of warrants (note 10(e))	-	434,118
Balance, December 31, 2014	55,455,718	15,426,684
Shares issued pursuant to private placement (iii)	5,001,967	450,642
Share issue costs (iii)	-	(5,745)
Shares issued pursuant to private placement (iv)	1,300,767	126,472
Share issue costs (iv)	-	(9,581)
Exercise of warrants (note 10(e))	264,700	44,999
Reallocation of fair value upon exercise of warrants (note 10(e))	-	2,567
Balance, September 30, 2015	62,023,152	16,036,038

(i) On January 17, 2014, the Company completed a private placement, issuing 985,000 units (“Unit A”) at $0.125 per Unit A for aggregate proceeds of $123,125. Each Unit A consisted of one common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Company for $0.18 per common share for a period of 36 months from issuance, which was valued at $63,066 (note 10(e)(iii)).

(ii) On April 28, 2014, the Company completed a private placement, issuing 8,137,225 units (“Unit B”) at $0.16 per Unit B for aggregate proceeds of $1,301,956. Each Unit B consisted of one common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Company for $0.25 per common share for a period of 24 months from issuance, which was valued at $837,179 (note 10(e)(iv)).

In connection with the private placement, the Company incurred cash share issue costs of $50,953 of which $17,986 was allocated to share capital and $32,967 was allocated to warrants. 225,720 broker warrants were also issued, valued at $33,462 (note 10(f)(i)). $11,506 of the broker warrants value was allocated to share capital and $21,956 was allocated to warrants, with an offsetting credit to contributed surplus.

(iii) On March 30, 2015, the Company completed a private placement, issuing 5,001,967 units ("Unit C") at $0.15 per Unit C for aggregate proceeds of $750,295. Each Unit C consisted of one common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Company for $0.25 per common share for a period of 24 months from issuance, which was valued at $299,653 (note 10(e)(iii)).

In connection with the private placement, the Company incurred cash share issue costs of $6,300 of which $3,784 was allocated to share capital and $2,516 was allocated to warrants. 42,000 broker warrants were also issued, valued at $3,265 (note 10(f)(ii)). $1,961 of the broker warrants value was allocated to share capital and $1,304 was allocated to warrants, with an offsetting credit to contributed surplus.

(iv) On June 25, 2015 and August 4, 2015, the Company completed the first and second closing of a larger private placement, issuing 649,100 units and 651,667 units ("Unit D"), respectively, at $0.15 per Unit D for aggregate proceeds of $195,115. Each Unit D consisted of one common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one common share of the Company for $0.25 per common share for a period of 24 months from issuance, which was valued at an aggregate of $68,643 (note 10(e)(iv)).

In connection with the private placement, the Company incurred cash share issue costs of $13,814 of which $8,972 was allocated to share capital and $4,842 was allocated to warrants. 16,080 broker warrants were also issued, valued at $942 (note 10(f)(ii)). $609 of the broker warrants value was allocated to share capital and $333 was allocated to warrants, with an offsetting credit to contributed surplus.

c) Stock options

The Company has established a stock option plan (the "Plan") for the benefit of the directors, officers, employees and consultants of the Company. The maximum number of options available under the Plan is limited to 10% of the issued and outstanding common shares on the date the option is granted, with the maximum number of options available to an individual director/officer or technical consultant not exceeding 5% or 2%, respectively, of the issued and outstanding shares. Such options will be exercisable for a period of up to 5 years from the date of grant, at an exercise price and vesting period as determined by the Board of Directors.

A summary of the status of the Company's stock option plan and changes during the period is as follows:

	September 30, 2015		December 31, 2014	
	Number of Options	**Weighted Avg. Exercise Price $**	Number of Options	Weighted Avg. Exercise Price $
Outstanding, beginning of period	**5,289,667**	**0.26**	2,913,000	0.18
Granted	**550,000**	**0.15**	2,560,000	0.34
Expired	**(678,000)**	**(0.20)**	-	-
Exercised	-	-	(183,333)	(0.19)
Outstanding, end of period	**5,161,667**	**0.25**	5,289,667	0.26

			Options outstanding
Range of exercise prices	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (Years)**	**Weighted Average Exercise Price $**
0.10 – 0.19	2,746,667	3.01	0.14
0.30 – 0.39	515,000	0.60	0.30
0.40 – 0.49	1,900,000	3.89	0.40

As at September 30, 2015, the Company had 3,941,667 exercisable options and 1,220,000 options granted but not yet vested (December 31, 2014 – 3,483,000 and 1,806,667, respectively). The weighted average exercise price of the exercisable options is $0.21 (December 31, 2014 - $0.22).

d) Share-based payment expense

During the nine months ended September 30, 2015, the Company granted 550,000 (December 31, 2014 - 2,560,000) stock options consistent with the Plan. The options granted are exercisable at a weighted average of $0.15 per option and expire 5 years after the grant date. 1/3 of the stock options vest immediately and the remaining stock options granted vest 1/3 on each of the first and second anniversary of the grant date. The forfeiture rates are based on historical data and managements estimates. The fair value of the options granted is estimated as at the grant date using the Black-Scholes option pricing model.

	2015	2014
Risk-free interest rate	**0.49**	1.25%
Expected life	**2.5 years**	2.5 years
Expected volatility	**274.24%**	286.37%
Fair value per option	**0.14**	0.34
Forfeiture rate	**14.27%**	19.31%

Compensation expense recognized during the three and nine months ended September 30, 2015 was $65,808 and $261,991 (September 30, 2014 - $311,672 and $376,441), of which $36,799 and $146,917, respectively, has been recorded in the statement of comprehensive loss (September 30, 2014 - $169,766 and $230,848) and $29,009 and $115,074, respectively, has been capitalized as exploration and evaluation assets (September 30, 2014 - $141,906 and $145,593), all of which has been recorded as an offsetting credit to contributed surplus.

e) Warrants

	Number of Warrants	**Weighted Average Exercise Price $**	**Amount $**	**Weighted Average Expiry Date**
Balance, December 31, 2013	14,958,728	0.18	623,988	0.88
Warrants issued pursuant to Private Placement (i)	492,500	0.18	63,066	2.05
Warrants issued pursuant to Private Placement (ii)	4,068,613	0.25	837,179	1.30
Share issue costs (ii)	-	-	(54,923)	-
Exercise of warrants	(10,035,028)	-	(434,118)	-
Warrants expired unexercised	(1,489,273)	-	(131,949)	-
Balance, December 31, 2014	7,995,540	0.226	903,243	1.19
Warrants issued pursuant to Private Placement (iii)	2,500,984	0.250	299,653	1.40
Share issue costs (iii)	-	-	(3,820)	-
Warrants issued pursuant to Private Placement (iv)	650,384	0.25	68,643	1.80
Share issue costs (iv)	-	-	(5,175)	-
Debenture B warrants (note 9)	1,777,778	0.25	26,946	3.25
Exercise of warrants	(264,700)	-	(2,567)	-
Warrants expired unexercised	(950,885)	-	(104,843)	-
Balance, September 30, 2015	11,709,101	0.231	1,182,080	1.64

(i) As part of the units issued on January 17, 2014 (note 10(b)(i)); subscribers received one half of one warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.18 for a period of 36 months from the date of closing. A value of $63,066 ($0.12 per warrant) has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity.

(ii) As part of the units issued on April 28, 2014 (note 10(b)(ii)); subscribers received one half of one warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 for a period of 24 months from the date of closing. A value of $837,179 ($0.21 per warrant) has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity. In connection with the private placements, share issue costs totaling $54,923 were allocated to warrants (note 10(b)(ii)).

(iii) As part of the units issued on March 30, 2015 (note 10(b)(iii)); subscribers received one half of one warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 for a period of 24 months from the date of closing. A value of $299,653 ($0.12 per warrant) has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity. In connection with the private placements, share issue costs totaling $3,820 were allocated to warrants (note 10(b)(iii)).

(iv) As part of the units issued on June 25, 2015 and August 4, 2015 (note 10(b)(iv)); subscribers received one half of one warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 for a period of 24 months from the date of closing. A value of $68,643 ($0.11 per warrant) has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity. In connection with the private placements, share issue costs totaling $5,175 were allocated to warrants (note 10(b)(iv)).

The fair value of the warrants issued are estimated as at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in the calculation are noted below:

	2015	2014
Risk-free interest rate	**0.50%**	1.06%
Expected life	**2.00 years**	2.11 year
Expected volatility	**222.81%**	255.95%
Fair value per warrant	**$0.12**	$0.20

On June 19, 2015, approval was received to extend the expiry date of 2,399,667 share purchase warrants from February 28, 2016 to June 28, 2018 (note 9). All other terms and conditions will remain the same.

f) Broker warrants

	Number of Broker Warrants	**Weighted Average Exercise Price $**	**Amount $**	**Weighted Average Life (years)**
Balance, December 31, 2013	-	-	-	-
Broker warrants issued on private placement (i)	225,720	0.16	33,462	0.28
Exercise of broker warrants	(106,000)	-	(16,081)	-
Balance, December 31, 2014	**119,720**	**0.16**	**17,381**	**0.28**
Broker warrants issued on private placement (ii)	58,080	0.15	4,207	0.54
Expiry of broker warrants	(119,720)	(0.16)	(17,381)	-
Balance, September 30, 2015	**58,080**	**0.15**	**4,207**	**0.54**

(i) During the year ended December 31, 2014, the Company issued 225,720 (note 10(b)(ii)) broker warrants to those who facilitated the private placements. Each broker warrant granted entitles the holder to purchase one common share at a price of $0.16 per common share for a period of 1 year from the date of closing. The broker warrants were valued at $33,462 and recorded as share issue costs.

(ii) During the nine months ended September 30, 2015, the Company issued 58,080 (note 10(b)(iii)(iv)) broker warrants to those who facilitated the private placements. Each broker warrant granted entitles the holder to purchase one common share at a price of $0.15 per common share for a period of 1 year from the date of closing. The broker warrants were valued at $4,207 and recorded as share issue costs.

The fair value of the Broker Warrants granted is estimated as at the grant date using the Black-Scholes option pricing model. The assumptions used in the calculation are noted below:

	2015	2014
Risk-free interest rate	**0.53%**	1.07%
Expected life	**1.00 year**	1.00 year
Expected volatility	**149.54%**	161.26%
Fair value per option	**$0.07**	$0.15

g) Contributed surplus

	September 30, 2015	December 31, 2014
	$	$
Balance, beginning of period	**2,971,349**	2,378,945
Share-based payment expense (note 10(d))	**146,917**	286,372
Capitalized share-based payment (note 10(d))	**115,073**	184,414
Exercise of stock options	-	(27,712)
Expiry of warrants (note 10(e))	**104,843**	131,949
Exercise of broker warrants (note 10(f))	-	(16,081)
Broker warrants (note 10(f))	**4,207**	33,462
Balance, end of period	**3,342,390**	2,971,349

h) Per share data

Basic loss per share is calculated based on the weighted average number of shares outstanding during the period. All warrants, broker warrants and stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive due to the loss position of the Company.

11 Commitment

The Alberta Energy Regulator ("AER") has an industry wide program to measure all operating companies Licensee Liability Rating ("LLR"). The LLR program is established by the AER to prevent the costs to abandon, remediate and reclaim a well or facility from becoming the responsibility of the public of Alberta. The program measures the ratio of deemed well and facility assets divided by deemed well and facility Liabilities and if the ratio is below 1.0 a deposit is required. Included in deposits and prepaid expenses is an amount of $131,068 on deposit with the AER ($175,809 on June 30, 2015) associated with six shut-in wells at Alder Flats, Alberta.

During the three months ended September 30, 2015, the Company abandoned four wells in Alder Flats, Alberta, which resulted in a reduction of $45,258 in the amount of deposit required by the AER. At September 30, 2015, this amount is included in trade and other receivables and was received from the AER in October 2015. Subsequently, on November 24, 2015, the AER has provided an additional refund of $25,000 of the Company's outstanding deposit. This refund is also related to the abandonment of the above noted four wells.

In August 2010 the Company sold fifteen gas properties to 1528810 Alberta Ltd ("PrivateCo.") in which there are two common directors between the Company and the PrivateCo. Upon the sale of the properties, the Company retained a 1% interest in the properties, remained the licensee of record for these wells and is deemed to be the operator by the AER. The Company does not charge PrivateCo. an operating fee for the operation of these properties.

In February 2014, the AER, at the urging of small operators, outlined a Licensee Liability Rating (LLR) Program Management Plan (the "Plan") whereby a corporation can undertake appropriate measures over a defined time period through December 2017 to meet their LLR program requirements. In May 2014, the Company and PrivateCo. were accepted into the Plan, which allowed the Company and the PrivateCo. to turn wells back on production, optimize production, transfer wells to other operators, sell properties to other operators that have a positive LLR, abandon wells, and apply for a change in licensing and liability rating status to facilities. The Company in conjunction with PrivateCo. provides monthly updates to AER to indicate progress in meeting the defined asset liability ratio. The Company continues to reduce its overall deemed liabilities and to continue to improve its LLR ratio. This has been accomplished by various initiatives including transferring the operatorship in a well to another company, the de-licensing of a multi-well battery and most recently the abandonment of four wells. Marksmen has successfully emerged from the Plan based on the current LLR ratio and the security deposit held by AER. However, The AER has agreed that should the need arise the Company may re-enter the LLR Program Management Plan.

12 Related party transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

During the three months ended September 30, 2015:

a) An aggregate of $48,600 (September 30, 2014 - $76,500) in consulting fees were paid to a professional corporation owned by a director and officer of the Company for compensation as CEO of the Company as well as for costs associated with office space, storage space and other related costs.

b) An aggregate of $33,860 USD (September 30, 2014 - $55,031 USD) in consulting fees and related office costs were paid to a director and officer of the wholly owned subsidiary, Marksmen Energy USA, Inc. and were capitalized or expensed as general and administrative expenses.

c) An aggregate of $15,277 (September 30, 2014 - $21,018) in legal fees were charged by a law firm in which a director of the Company is a partner, of which $3,875 was expensed as general and administrative expenses (September 30, 2014 - $21,018) and $11,402 was recorded as share issue costs (September 30, 2014 - $nil).

d) An aggregate of $nil (September 30, 2014 - $nil) was charged as operating fees as per the Commitment note above to 1528810 Alberta Ltd. (“PrivateCo.”) in which there are two common directors between the Company and PrivateCo.

During the nine months ended September 30, 2015:

e) An aggregate of $184,675 (September 30, 2014 - $228,600) in consulting fees were paid to a professional corporation owned by a director and officer of the Company for compensation as CEO of the Company as well as costs associated with office space, storage space and related administrative costs. An amount of $nil (September 30, 2014 – $nil) remains owing in accounts payable. An amount of $nil (September 30, 2014 – $nil) remains owing in accounts payable.

f) An aggregate of $121,671 USD (September 30, 2014 - $132,289 USD) in consulting fees and related office costs were paid to certain directors and officers of the wholly owned subsidiary, Marksmen Energy USA, Inc. and were capitalized or expensed as general and administrative expenses. An amount of $38,243 USD remains owing in accounts payable.

g) An aggregate of $nil (September 30, 2014 - $nil)) was charged as operating fees as per the Commitment note above to 1528810 Alberta Ltd. (“PrivateCo.”) in which there are two common directors between the Company and PrivateCo.

h) An aggregate of $15,063 (September 30, 2014 - $15,063) remains, from a prior year, as an accounts payable to an officer and director who resigned from the Company in 2012.

i) An aggregate of $36,846 (September 30, 2014 - $79,968) in legal fees were charged by a law firm in which a director of the Company is a partner, of which $16,732 was expensed as general and administrative expenses (September 30, 2014 - $65,130) and $20,114 was recorded as share issue costs (September 30, 2014 - $14,838). A total of $34,152 remains in accounts payable as owing from this and prior periods.

j) The Company has trade and other receivables related to prior years of $90,786 (December 31, 2014 - $90,786) owing from PrivateCo. in which there are two common directors between the Company and PrivateCo. This amount has been offset in its entirety as an allowance for doubtful accounts.

All of the above related party transactions are in the normal course of operations.

13 Financial risk management

(a) Fair values:

The fair value of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities approximates their carrying value due to their short term nature. The fair value of the secured debentures was calculated using an estimate of the market rate for similar debentures without warrants.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. At September 30, 2015, the Company's cash and cash equivalents has been subject to Level 1 valuation.

(b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of cash and cash equivalents and trade and other receivables represents the maximum credit exposure.

As at September 30, 2015, the Company had cash and cash equivalents of $58,062 (December 31, 2014 - $96,150), all of which is deposited with one major Canadian financial institution.

As at September 30, 2015, the Company's accounts receivable consisted of $147,127 (December 31, 2014 - $146,120) from petroleum and natural gas companies, $45,429 from AER due to a revised liability rating and $9,838 (December 31, 2014 - $7,016) related to goods and service tax owing from the Government of Canada. The Company is not subject to concentration risk. Receivables from joint venture partners are typically collected within one to three months of the joint venture bill being issued. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner pre-approval of significant capital expenditures. However, the receivables are from participants in the oil and natural gas sector, and collection of the outstanding balances is dependent on industry factors such as commodity price fluctuations, escalating costs and the risk of unsuccessful drilling. In addition, further risk exists with joint ventures; as disagreements occasionally arise that increase the potential for non-collection. The Company does not typically obtain collateral from oil and natural gas marketers or joint ventures; however, the Company does have the ability to withhold production from joint ventures in the event of non-payment.

At September 30, 2015, the Company has an allowance for $108,848 (December 31, 2014 - $108,408) of trade and other receivables that were deemed to be uncollectible, including $90,786 related to 1528810 Alberta Ltd. ("PrivateCo.") in which there are two common directors between the Company and Privateco. During the year ended December 31, 2014, certain creditors forgave $125,680 of liabilities including $68,276 for old amounts payable and $57,404 related to a disputed joint interest billing.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At September 30, 2015, the Company's maximum exposure to liquidity risk is the accounts payable and accrued liabilities balance of $396,201 (December 31, 2014 – accounts payable and accrued liabilities of $288,368), which are all due over the next twelve months. The Company attempts, as far as possible, to have sufficient liquidity to meet its liabilities.

The Company prepares annual capital expenditure budgets, which are regularly updated as considered necessary. Further, the Company utilizes authorizations for expenditures on both operated and non-operated projects to further manage capital expenditures.

(d) Market risk:

Market risk is the risk that changes in foreign exchange rates, commodity prices, and interest rates will affect the Company's net income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Currently the Company does not use financial derivatives or physical delivery sales contracts to manage market risks. If in the future management determines market risk warrants the use of financial derivatives or physical delivery sales contracts any such transactions would be approved by the Board of Directors.

(i) Commodity price risk:

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as oil and natural gas prices are impacted by world economic events that dictate the levels of supply and demand. Management continuously monitors commodity prices and may consider instruments to manage exposure to these risks when deemed appropriate. The Company did not have any commodity price contracts in place as at or during the period ended September 30, 2015. A $1.00 per bbl change in commodity process would have a nominal impact on petroleum and natural gas sales.

(ii) Foreign currency risk:

Foreign currency exchange rate risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company regularly converts Canadian currency into United States currency to provide funds for its Ohio based projects. The underlying market prices in Canada for oil and natural gas fluctuate with changes in the exchange rate between the Canadian and the United States dollar, thus exposing the Company to foreign currency exchange risk. A hypothetical change of 10% to the foreign exchange rate between the US dollar and the Canadian dollar applied to the average level of US denominated cash during the period would not have a material impact on the Company's loss for the period.

As at September 30, 2015 the Company had no forward exchange rate contracts in place or any working capital items denominated in foreign currencies.

(iii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have short or long term interest bearing debt with variable interest rates and therefore is only exposed to interest rate risk through its cash holdings. A hypothetical change of 10% to the interest rates applied to the average level of cash and cash equivalents held during the period would not have a material impact on the Company's loss for the period.

The Company has no interest rate swaps or financial contracts in place as at or during the three and nine months ended September 30, 2015.

14 Capital management

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business.

The Company actively manages its capital structure which includes shareholders' equity. In order to maintain or adjust its capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels.

As part of the capital management program the Company monitors its working capital ratio. The Company's objective is to maintain a working capital ratio of greater than 1:1 defined as the ratio of current assets divided by current liabilities. At September 30, 2015, the working capital ratio was 0.64:1 (December 31, 2014 – 0.91:1). The Board of Directors has not established quantitative return on capital criteria for management, but rather promotes conservative capital management. The Company is not subject to any externally imposed capital requirements.

15 Segmented information

The Company's primary operations are limited to a single industry being the acquisition, exploration for, and development of petroleum and natural gas.

Geographical segmentation is as follows:

	Nine months ended September 30, 2015 ($)		
	Canada	**United States**	**Total**
Petroleum and natural gas sales	-	292,510	292,510
Depletion, depreciation and impairment	896	221,684	222,580
Net loss	287,474	77,439	364,913
Property and equipment	11,377	2,508,698	2,520,075
Exploration and evaluation assets	-	1,645,361	1,645,361
Total liabilities	1,790,119	206,396	1,996,515

	Nine months ended September 30, 2014 ($)		
	Canada	**United States**	**Total**
Petroleum and natural gas sales	-	374,363	374,363
Depletion, depreciation and impairment	1,064	23,103	24,167
Net loss (income)	791,038	(156,624)	634,414
Property and equipment	4,033	688,745	692,778
Exploration and evaluation assets	-	1,495,008	1,495,008
Total liabilities	1,327,126	105,392	1,432,518