

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Year Ended June 30, 2009	Year Ended June 30, 2008
OPERATING		
Daily Average Production		
Light Oil – barrels	3.6	3.1
Heavy Oil – barrels	59.0	125.6
Natural Gas – thousands of cubic feet	874.1	774.2
NGLs – barrels	6.6	3.0
Total – barrels of oil equivalent (6:1)	214.9	260.7
Average Sales Price		
Light Oil – per barrel	\$ 76.21	\$ 113.50
Heavy Oil – per barrel	\$ 63.09	\$ 60.65
Natural Gas – per thousand cubic feet	\$ 5.91	\$ 7.44
NGLs – per barrel	\$ 32.15	\$ 47.26
Total – per barrel of oil equivalent (6:1)	\$ 43.61	\$ 53.22
Undeveloped Land		
Gross (acres)	11,207	12,800
Net (acres)	8,003	8,042
NETBACK AND COST		
(\$ per barrel of oil equivalent at 6:1)		
Petroleum & natural gas revenue	\$ 43.61	\$ 53.22
Royalties	(7.91)	(10.46)
Operating expense	(13.06)	(12.35)
Transportation and marketing expense	(1.61)	(1.91)
Netback	\$ 21.03	\$ 28.50
General & administrative expense	(12.44)	(8.24)
Interest expense	(0.01)	--
Other income	0.86	0.18
Income Taxes	--	--
Cash Flow Netback	\$ 9.44	\$ 20.44
Depletion and depreciation	(28.17)	(18.25)
Accretion	(0.93)	(0.65)
Stock-based compensation expense	(1.51)	(1.07)
Future income tax expense	5.16	0.60
Net Earnings (Loss)	\$ (16.01)	\$ 1.07
FINANCIAL		
Petroleum & Natural Gas Revenue (\$)	3,420,534	5,077,855
Cash Flow from Operations (\$)	741,588	1,950,378
Per share – basic (\$)	0.09	0.34
Per share – diluted (\$) ^{(1) (2)}	0.09	0.33
Net Earnings (Loss) (\$)	(1,254,949)	103,287
Per share – basic (\$)	(0.16)	0.02
Per share – diluted (\$) ^{(1) (2)}	(0.16)	0.02
Common Shares Outstanding		
End of Period – Basic	8,176,826	5,824,942
End of Period – Diluted	9,161,826	6,789,442
Weighted Average for Period – Basic	7,950,158	5,747,755
Weighted Average for Period – Diluted ^{(1) (2)}	7,950,158	5,873,952
Capital Expenditures (\$)	5,882,469	4,509,754
Working Capital Excluding Credit Facility (\$)	170,856	(1,324,203)
Revolving Credit Facility (\$)	(615,769)	--
Total Debt (\$)	(444,913)	(1,324,203)

(1) In calculating the diluted common shares outstanding at June 30, 2009, Manitoq estimates its weighted average fair market value of the common shares to be \$2.14 per common share.

(2) In calculating the diluted common shares outstanding at June 30, 2008, Manitoq estimates its weighted average fair market value of the common shares to be \$2.45 per common share.

RESERVES EVALUATION

An independent evaluation of Manitok's oil and gas reserves effective June 30, 2009 was prepared by Sproule and provided to Manitok in an Evaluation Report dated September 21, 2009. The oil and gas reserves and income projections provided were estimated by Sproule in accordance with the Canadian Oil and Gas Evaluation Handbook (COGEH) and National Instrument 51-101 (NI 51-101).

The following table summarizes the Corporation's total reserves and net present values of future net revenues based on Sproule's June 30, 2009 forecast of commodity prices and costs.

Reserves Category	Before Income Taxes								Present Value of Future Net Revenue			
	Lt, Med, Heavy Oil		Pipeline/Sol. Gas		NGL's/ Sulphur		Total Oil Equivalent		0%	5%	8%	10%
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MBOE)	Net (MBOE)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Developed Producing	64.0	59.1	1,740	1,435	24.1	14.5	378.1	312.8	8,380	7,107	6,181	5,489
Proved Developed Non- Producing	28.8	26.7	65	59	--	--	39.6	36.5	1,287	1,150	1,038	945
Proved Undeveloped	169.5	151.2	187	180	1.7	1.6	202.4	182.8	5,833	4,492	3,534	2,826
Total Proved	262.3	237.0	1,992	1,673	25.8	16.1	620.1	532.1	15,500	12,749	10,753	9,260
Probable Additional	190.0	171.5	1,131	939	53.4	32.3	431.9	360.3	12,550	9,030	6,833	5,354
Total Proved & Probable	452.3	408.5	3,123	2,613	79.2	48.4	1,052.0	892.4	28,050	21,780	17,586	14,614

1) Columns may not add precisely due to rounding of individual items.

FINDING, DEVELOPMENT AND ACQUISITION COSTS

Finding, development and acquisition costs are based on inception to June 30, 2009, inception to June 30, 2008 and Inception to June 30, 2007 expenditures and the corresponding reserves associated with these expenditures. Manitok estimates its finding and development costs as follows:

	Inception to 2009	Inception to 2008	Inception to 2007
FD&A Costs Excluding Future Development Capital⁽¹⁾			
F&D - Exploration and Development – Proved	\$23.28	\$16.77	\$12.90
F&D - Exploration and Development – Proved and Probable	\$15.26	\$9.41	\$6.13
Acquisitions – Proved	\$24.35	\$26.20	\$16.63
Acquisitions – Proved and Probable	\$16.73	\$19.83	\$14.23
FD&A - Total – Proved	\$23.43	\$18.11	\$13.70
FD&A - Total – Proved and Probable	\$15.46	\$10.55	\$7.19
FD&A Costs Including Future Development Capital⁽¹⁾			
F&D - Exploration and Development – Proved	\$26.59	\$20.31	\$15.74
F&D - Exploration and Development – Proved and Probable	\$19.68	\$13.63	\$9.44
Acquisitions – Proved	\$24.35	\$26.20	\$16.63
Acquisitions – Proved and Probable	\$16.73	\$19.83	\$14.23
FD&A - Total – Proved	\$26.28	\$21.15	\$15.93
FD&A - Total – Proved and Probable	\$19.28	\$14.31	\$10.07

1) FD&A calculations are not NI 51-101 compliant as they are calculated on an inception to date basis. Inception to date is defined as the date the Corporation incorporated until the end of the defined period.

RECYCLE RATIOS

Based on Manitek's estimated average 2009 **operating netback** of \$21.03 per BOE, and including all capital spent from inception to June 30, 2009 for exploration, development and acquisition spending (FD&A), Manitek has a proved and probable recycle ratio of 1.4, excluding future capital and 1.1, including future capital. This **recycle ratio** is calculated in each case by dividing the average 2008 operating netback per BOE by total finding, development and acquisition costs per BOE.

The recycle ratio calculated by dividing the average 2009 **operating netback** of \$21.03 per BOE by F&D costs per BOE relating only to exploration and development capital is 1.4, excluding future capital and 1.1, including future capital.

The recycle ratio calculated by dividing the average 2008 **cash flow netback** of \$9.44 per BOE by F&D costs per BOE relating only to exploration and development capital is 0.6, excluding future capital and 0.5, including future capital.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("**MD&A**") in respect of the year ended June 30, 2009 (the "**Reporting Period**"), is dated November 13, 2009. The prior comparative period is the year ended June 30, 2008 (the "**Comparable Prior Period**").

The following discussion and analysis is Management's assessment of the audited historical financial and operating results of Manito Exploration Inc. (the "**Corporation**" or "**Manitok**") and should be read in conjunction with the audited financial statements of the Corporation for fiscal year ending June 30, 2009, all of which has been prepared in accordance with Canadian Generally Accepted Accounting Principles.

FORWARD LOOKING STATEMENTS

This disclosure includes forward-looking statements and assumptions respecting the Corporation's strategies, future operations, expected financial results, financing sources, commodity prices, costs of production and quantum of petroleum and natural gas reserves and discusses certain issues, risks and uncertainties that can be expected to impact on any of such matters.

By their nature, forward-looking statements are subject to numerous risks and uncertainties that can significantly affect future results. Actual future results may differ materially from those assumed or described in such forward-looking statements as a result of the impact of issues, risks and uncertainties whether described herein or not, which the Corporation may not be able to control. The reader is therefore cautioned not to place undue reliance on such forward-looking statements.

The Corporation disclaims any intention or obligation to update or revise these forward-looking statements as a result of new information, future events or otherwise.

NON-GAAP MEASURES

Included in this MD&A for the Reporting Period are references to terms commonly used in the petroleum and natural gas industry, such as cash flow or cash generated from operations, cash flow per share, operating netback and cash flow netback.

Cash flow, as discussed in this MD&A for the Reporting Period, appears as a separate line on the Corporation's Statements of Cash Flows above "changes in non-cash working capital" and is reconciled to net earnings or loss. In the Corporation's financial disclosure documents, operating netback denotes petroleum and natural gas revenue less royalties, less operating expenses and less transportation and marketing expenses. Cash flow netback as used herein denotes net earnings plus future income tax expense (less any recovery), depletion, depreciation and accretion expense and non-cash stock-based compensation expense.

These terms are not defined by Generally Accepted Accounting Principles and consequently, they are referred to as non-GAAP measures. The reader should be cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

BOE CONVERSIONS

Barrel of oil equivalent ("BOE") amounts may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel and is based on an energy equivalent conversion method primarily applicable at the burner tip and does not necessarily represent an economic value equivalency at the wellhead.

MAJOR TRANSACTIONS AFFECTING FINANCIAL RESULTS

The financial results of the Corporation have been significantly affected by transactions that were closed since June 30, 2008 and up to the date of this MD&A. These transactions are summarized below:

1. On July 10, 2008, the Corporation issued 667,959 flow-through shares at \$2.95 per share for proceeds of \$1,970,479.
2. On July 14, 2008, the Corporation issued 1,284,749 common shares at \$2.45 per share for proceeds of \$3,147,635.
3. On August 29, 2008, the Corporation issued 37,028 common shares at \$2.45 per share for proceeds of \$90,719.
4. On September 29, 2008, the Corporation issued 85,000 flow-through shares at \$2.95 per share for proceeds of \$250,750.
5. On December 18, 2008 the Corporation issued 185,500 stock options, to management and key consultants, with an exercise price of \$2.45, a standard five year term and three year vesting period.
6. On December 20, 2008, the Corporation issued 48,375 common shares at \$2.45 per share for proceeds of \$118,519.
7. On December 31, 2008, the Corporation issued 228,773 flow-through shares at \$2.20 per share for proceeds of \$503,301.

OUTSTANDING SHARE DATA

Common Shares, Options, and Warrants Outstanding

	Common Shares	Avg. Price	Value ⁽¹⁾
Outstanding Balance at June 30, 2008	5,824,942	\$1.73	\$10,079,522
Private placement, flow through shares July 10, 2008	667,959	\$2.95	\$1,970,479
Private placement, common shares July 14, 2008	1,284,749	\$2.45	\$3,147,635
Private placement, common shares August 29, 2008	37,028	\$2.45	\$90,719
Private placement, flow through shares September 29, 2008	85,000	\$2.95	\$250,750
Outstanding Balance at September 30, 2008	7,899,678	\$1.96	\$15,539,105
Private placement, common shares December 20, 2008	48,375	\$2.45	\$118,519
Private placement, flow through shares December 31, 2008	228,773	\$2.20	\$503,301
Outstanding Balance at December 31, 2008	8,176,826	\$1.98	\$16,160,925
Outstanding Balance at March 31, 2009	8,176,826	\$1.98	\$16,160,925
Outstanding Balance at June 30, 2009	8,176,826	\$1.98	\$16,160,925
Dilutive Securities:			
Options outstanding at \$1.45, September 9, 2005	207,500	\$1.45	\$300,875
Options outstanding at \$2.00, February 28, 2007	105,000	\$2.00	\$210,000
Options outstanding at \$2.45, January 9, 2008	137,000	\$2.45	\$335,650
Options outstanding at \$2.45, March 13, 2008	67,500	\$2.45	\$165,375
Options outstanding at \$2.45, December 18, 2008	185,500	\$2.45	\$454,475
Performance Warrants outstanding (\$2.00 Strike price), issued July 1, 2006	282,500	\$2.00	\$565,000
Diluted Common Shares, June 30, 2009	9,161,826	\$1.99	\$18,192,300

(1) The value in this column reflects only the gross proceeds.

RESULTS OF OPERATIONS

Petroleum and Natural Gas Revenue

Petroleum and natural gas revenues totaled \$3,420,534 for the year ended June 30, 2009 as compared to \$5,077,855 for the year ended June 30, 2008. Revenue decreased in the year ended June 30, 2009 due to lower commodity prices and an 18% decrease in production compared to the year ended June 30, 2008.

The following table details Manitok's petroleum and natural gas revenue, production and sales prices by category for the Reporting Periods:

	Year Ended June 30, 2009				Year Ended June 30, 2008			
	Total Revenue (\$)	Average Daily Production	%	Average (\$/unit)	Total Revenue (\$)	Average Daily Production	%	Average (\$/unit)
Natural Gas (mcf/d)	1,359,252	874.1	68	5.91	2,108,905	774.2	50	7.44
Light Oil (bbls/d)	99,207	3.6	2	76.21	130,518	3.1	1	113.58
Heavy Oil (bbls/d)	1,884,320	59.0	27	63.09	2,787,253	125.6	48	60.65
Natural Gas Liquids (bbls/d)	77,755	6.6	3	32.15	51,179	3.0	1	47.26
Total petroleum and natural gas sales (BOE)	3,420,534	214.9	100	43.61	5,077,855	260.7	100	53.22
Royalty revenue	--			--	--			--
Total petroleum and natural gas revenue	3,420,534	214.9		43.61	5,077,855	260.7		53.22

Commodity Prices

The price the Corporation receives for its production depends on a number of factors, including AECO Canadian dollar spot market prices for natural gas, U.S. dollar oil prices, the U.S./Canadian dollar exchange rate, and transportation and product quality differentials. Manitok regularly considers managing the risk associated with fluctuating spot market prices for natural gas and U.S. dollar oil prices and the U.S./Canadian dollar exchange rate. Manitok currently has no fixed commodity price contracts or other hedge type contracts and no current plans to enter into such contracts. In regards, to our heavy oil pricing, the Corporation is paid based on Lloydminster Blend at Hardisty less a quality adjustment, blending costs, terminal charges, and loss allowance.

Royalties

Oil and natural gas royalties totaled \$620,074 (\$7.91 per BOE) in the year ended June 30, 2009. The overall effective royalty rate was 18% of the Corporation's total revenues from the sale of natural gas and liquids. Of the total royalties, 47% were crown royalties and the remaining 53% related to GORRs and Freehold royalties. Royalties totaled \$998,088 (\$10.46 per BOE) in the year ended June 30, 2008. The overall effective royalty rate was 20% of the Corporation's total revenues from the sale of natural gas and liquids. Of the total royalties, 68% were crown royalties and the remaining 32% related to GORRs and Freehold royalties.

Operating Costs

Operating costs were \$1,024,127 (\$13.06 per BOE) in the year ended June 30, 2009 and \$1,178,321 (\$12.35 per BOE) in the year ended June 30, 2008.

Transportation & Marketing Costs

Transportation and marketing costs were \$126,034 (\$1.61 per BOE) in the year ended June 30, 2009 and \$182,140 (\$1.91 per BOE) in the year ended June 30, 2008.

General and Administrative Expense

Net general and administrative costs were \$975,925 (\$13.16 per BOE) during the Reporting Period as compared to \$786,461 (\$8.24 per BOE) in the Comparable Prior Period. The components of G&A are as follows:

General and Administrative Expense (\$'s)	Year Ended June 30, 2009		Year Ended June 30, 2008	
Salaries and Consultant Fees	522,541	50%	359,025	44%
Other	538,255	50%	462,119	56%
G & A expense, gross	1,060,796	100%	821,144	100%
Overhead recoveries	(84,871)	8%	(34,681)	4%
Capitalized overhead	--	--	--	--
G & A expense, net	975,925	92%	786,463	96%
G & A expense, net per BOE	\$13.16		\$8.24	

The increase in G&A expenses during the Reporting Period compared to the Comparable Prior Period was related to an increase in salaries, hiring of additional staff and consultants at the Corporation, increased expenditures on computer software licenses and an increase in rent and other office expenses due to the Corporation leasing its own, larger, office space.

The capitalization of costs in the "overhead recoveries" category reflects an industry standard charge per AFE to capitalize engineering, land, accounting and operations time spent on capital projects, whereas the "capitalized overhead" category reflects a portion of costs in relation to only ManitoK's exploration and geology department. ManitoK currently does not capitalize any portion of salaries and consultant fees. The Corporation expects that the current level of G&A costs would not increase significantly until it is producing over 400 boepd.

Interest Expense

Interest expense for the Reporting Period was \$550 and the interest expense for the Comparable Prior Period was NIL. The Corporation has established a revolving credit facility, with an authorized credit limit of \$3,100,000. Currently, ManitoK has drawn \$1,075,000 on its credit facility.

Depletion, Depreciation and Accretion Expense

The provision for depletion, depreciation and accretion (**DD&A**) for the year ended June 30, 2009 was \$2,283,147 (\$29.10 per BOE). Depletion and depreciation expense was \$2,209,917 (\$28.17 per BOE) and the remaining \$73,230 (\$0.93 per BOE) was for accretion in relation to the Corporation's asset retirement obligations. In the year ended June 30, 2008 DD&A was \$1,802,635 (\$18.90 per BOE). Depletion and depreciation expense was \$1,740,955 (\$18.25 per BOE) and the remaining \$61,680 (\$0.65 per BOE) was for accretion in relation to the Corporation's asset retirement obligations.

Depletion and depreciation expense is primarily a function of both the proved reserve additions and the cost of petroleum and natural gas properties in the full cost pool attributable to those proved reserves.

Taxes

ManitoK estimates it is not required to pay any income tax during the Reporting Period. ManitoK monitors its income tax position regularly and will plan accordingly to ensure it pays minimal or no income tax. For the year ended June 30, 2009 ManitoK recorded a future income tax recovery of \$405,000 (\$5.16 per BOE) as compared to a future income tax recovery of \$57,170 (\$0.60 per BOE) for the year ended June 30, 2008. The Corporation expects to record future income tax expense in future periods, as it expects to utilize the

tax basis of its assets at a rate greater than the book rate of depletion and depreciation, in order to remain non-taxable in the current commodity price environment.

Stock-Based Compensation

Manitok accounts for its stock-based compensation programs using the fair value method. Under this method, the Corporation records compensation expense related to the stock-based compensation programs in the income statement over the vesting period.

The Corporation recorded \$118,390 (\$1.51 per BOE) of stock-based compensation expense relating to the 105,000 stock options issued in Q3 2007, the 204,500 options issued in Q3 2008 and the 185,500 options issued in Q2 2009 in the year ended June 30, 2009. The Corporation recorded \$101,626 (\$1.07 per BOE) of stock-based compensation expense relating to the 207,500 stock options issued in Q1 2006, the 105,000 stock options issued in Q3 2007 and the 204,500 options issued in Q3 2008 in the year ended June 30, 2008.

CAPITAL EXPENDITURES AND CAPITAL RESOURCES

Capital expenditures amounted to \$5.88 million during the year ended June 30, 2009. Capital expenditures amounted to \$4.51 million during the year ended June 30, 2008.

The following table sets forth a summary of the capital expenditures incurred for the years ended June 30, 2009 and June 30, 2008:

Capital Expenditures

Year Ended June 30 (\$)	2009	2008
Land	30,567	430,547
Exploration – seismic	701,266	17,096
Exploration – other	--	--
Drilling and completions	2,803,602	2,086,835
Development – other	1,956,772	1,154,793
Well equipment and facilities	376,850	772,487
Capitalized general and administrative expenses	--	--
Total F&D Costs	5,869,057	4,461,758
Acquisition	(5,937)	--
Total FD&A Costs	5,863,120	4,461,758
Administrative assets	19,349	47,996
Total Capital Expenditures	5,882,469	4,509,754

The following table sets forth a summary of the Corporation's capital resources for the Reporting Period and the Comparable Prior Period:

Capital Resources

Year Ended June 30 (\$)	2009	2008
Cash generated by (used in) operations	741,588	1,950,378
Changes in working capital from operations	33,816	(248,128)
Equity issues, net of issue costs	6,020,170	780,952
Increase (decrease) in Revolving Operating Loan Facility	615,769	--
Changes in working capital from financing	(1,600,614)	1,600,614
Changes in working capital from investing	(746,912)	2,533
Total capital resources	5,063,817	4,086,349

SELECTED QUARTERLY INFORMATION

Quarter Ended (\$, except share and per share amounts)	September 30, 2008	December 31, 2008	March 31, 2009	June 30, 2009
Petroleum and natural gas production (BOE per day)	237.5	211.7	206.0	201.8
Petroleum and natural gas commodity price (\$ per BOE)	67.03	41.83	31.96	29.52
Natural gas commodity price at wellhead (\$ per mcf)	8.04	6.97	5.00	3.55
Light Oil commodity price at wellhead (\$ per bbl)	117.58	61.37	51.78	63.91
Heavy Oil commodity price at wellhead (\$ per bbl)	96.89	41.41	36.96	53.59
Total petroleum and natural gas revenue	1,464,389	814,688	599,273	542,184
Total royalties	(320,129)	(160,348)	(84,571)	(55,027)
Total interest and other revenue	20,708	36,461	9,650	945
Total revenues, net	1,164,968	690,801	524,352	488,102
Capital expenditures	2,166,671	2,562,001	825,484	328,313
Net income (loss)	(61,802)	(325,592)	(451,785)	(478,890)
Per share basic	(0.01)	(0.04)	(0.06)	(0.05)
Per share diluted	(0.01)	(0.04)	(0.06)	(0.05)
Cash generated by operations	528,203	184,025	14,821	14,539
Per share basic	0.07	0.02	0.00	0.00
Per share diluted	0.07	0.02	0.00	0.00
Book value of total assets	13,803,513	15,788,722	16,097,585	15,909,155
Revolving credit facility	--	--	--	--
Working Capital (Deficiency)	2,447,121	679,524	(131,140)	170,856
Shareholder's equity	14,506,314	14,817,206	13,680,455	13,297,172
Common shares outstanding – end of period				
Basic	7,899,678	8,176,826	8,176,826	8,176,826
Diluted	8,864,178	9,326,826	9,161,826	9,161,826
Weighted average common shares outstanding				
Basic	7,545,895	7,908,474	8,176,826	8,176,826
Diluted	7,684,614	7,948,212	8,176,826	8,176,626

Quarter Ended (\$, except share and per share amounts)	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008
Petroleum and natural gas production (BOE per day)	275.7	271.0	250.4	245.5
Petroleum and natural gas commodity price (\$ per BOE)	39.94	39.45	58.83	77.94
Natural gas commodity price at wellhead (\$ per mcf)	5.30	6.19	8.20	10.32
Light Oil commodity price at wellhead (\$ per bbl)	--	--	102.50	122.04
Heavy Oil commodity price at wellhead (\$ per bbl)	47.30	41.48	69.18	95.05
Total petroleum and natural gas revenue	1,012,792	983,622	1,340,483	1,740,959
Total royalties, net of ARTC ⁽¹⁾	(198,182)	(217,254)	(269,152)	(313,501)
Total interest and other revenue	6,658	2,606	5,138	3,133
Total revenues, net	821,268	768,973	1,076,469	1,430,591
Capital expenditures	807,271	542,225	1,472,422	1,687,835
Net income (loss)	(83,904)	(382,805)	309,619	103,287
Per share basic	(0.02)	(0.07)	0.05	0.05
Per share diluted	(0.02)	(0.07)	0.05	0.04
Cash generated by operations	335,531	258,094	574,754	781,999
Per share basic	0.06	0.05	0.10	0.13
Per share diluted	0.06	0.04	0.10	0.13
Book value of total assets	10,886,709	11,176,552	13,712,892	12,189,534
Revolving credit facility	--	--	--	--
Working Capital (Deficiency)	397,162	479,302	(418,366)	(1,324,202)
Shareholder's equity	8,889,427	8,515,323	8,736,334	9,114,541
Common shares outstanding – end of period				
Basic	5,700,782	5,824,942	5,824,942	5,824,942
Diluted	6,445,782	6,569,942	6,789,442	6,789,442
Weighted average common shares outstanding				
Basic	5,640,684	5,702,132	5,824,942	5,824,942
Diluted	5,803,547	5,872,955	5,937,433	5,951,139

Liquidity and Bank Debt

Working Capital

The Corporation had working capital, excluding the revolving operating loan facility, of \$170,856 at June 30, 2009 (\$1,324,202 deficiency at June 30, 2008). The largest portion of Manitok's current assets (44%) is from receivables for joint venture billings and cash to be received from marketers in respect of June 2009 production and from deposits (45%) in respect to industry standard government and transportation deposits. In contrast, the current liabilities consist of (31%) relating to trade payables and (56%) relating to the revolving operating loan facility.

The Corporation did not have any liquidity issues with respect to the operation of its petroleum and natural gas business during the Reporting Period nor does it anticipate a liquidity issue in the foreseeable future. The Corporation intends to finance its oil and natural gas business primarily through cash generated from operations, proceeds from bank debt, proceeds from long-term debt arrangements, and equity financings to the extent required.

Bank Debt

On January 23, 2009 Manitok had its revolving credit facility increased to \$3,100,000. As at June 30, 2009 the drawn amount on this credit facility was \$615,769. The current amount drawn on the credit facility is \$1,075,000. The Corporation was compliant with all covenants under its Credit Facility throughout the Reporting Periods and continues to be in compliance with its covenants at this time.

ANNUAL FINANCIAL STATEMENTS
MANITOK EXPLORATION INC.
JUNE 30, 2009 AND 2008

Manitok Exploration Inc.

June 30, 2009

Auditors' Report

To: The Shareholders of:
Manitok Exploration Inc.

We have audited the balance sheet of **Manitok Exploration Inc.** as at **June 30, 2009** and the statements of income, comprehensive income and deficit, and cash flows for the year the ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kenway Mack Slusarchuk Stewart LLP

Calgary, Alberta
November 23, 2009

Chartered Accountants

MANITOK EXPLORATION Inc.
Balance Sheets
(\$)

	As at June 30, 2009	As at June 30, 2008
ASSETS		
CURRENT		
Cash	70,765	889,417
Accounts receivable	287,595	1,251,396
Prepaid and deposits	291,562	264,178
	<u>649,922</u>	<u>2,404,991</u>
Petroleum and natural gas properties and equipment (Note 4)	15,909,155	12,189,534
	<u>16,559,077</u>	<u>14,594,525</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	479,066	2,128,580
Revolving operating loan facility (Note 5)	615,769	--
Advances received for shares to be issued	--	1,600,614
	<u>1,094,835</u>	<u>3,729,194</u>
Asset retirement obligations (Note 6)	1,010,190	889,890
Future income taxes (Note 7)	1,156,880	860,900
	<u>3,261,905</u>	<u>5,479,984</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	14,436,550	9,117,360
Contributed surplus (Note 10)	458,861	340,471
Deficit	(1,598,239)	(343,290)
	<u>13,297,172</u>	<u>9,114,541</u>
	<u>16,559,077</u>	<u>14,594,525</u>

Commitments (Note 11)

See accompanying notes to the financial statements.

APPROVED BY THE BOARD

"Bruno Geremia"
Bruno P. Geremia C.A., Director

"Massimo Geremia"
Massimo M. Geremia, Director

MANITOK EXPLORATION Inc.
Statements of Income, Comprehensive Income and Deficit
(\$)

	Year ended June 30, 2009	Year ended June 30, 2008
REVENUE		
Petroleum and natural gas	3,420,534	5,077,855
Royalties	(620,074)	(998,088)
Interest	67,764	17,534
	<u>2,868,224</u>	<u>4,097,301</u>
EXPENSES		
Petroleum and natural gas operations	1,150,161	1,360,462
General and administrative	975,925	786,461
Interest	550	--
Stock-based compensation (Note 9)	118,390	101,626
Depletion, depreciation and accretion	2,283,147	1,802,635
	<u>4,528,173</u>	<u>4,051,184</u>
INCOME (LOSS) BEFORE INCOME TAXES	(1,659,949)	46,117
INCOME TAXES (RECOVERY)		
Future income taxes (recovery) (Note 7)	(405,000)	(57,170)
	<u>(1,254,949)</u>	<u>103,287</u>
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(1,254,949)	103,287
DEFICIT, BEGINNING OF YEAR	(343,290)	(446,577)
DEFICIT, END OF YEAR	(1,598,239)	(343,290)
Net Income (loss) per common share		
Basic and diluted	(0.16)	0.02
Weighted average common shares		
Basic	7,950,158	5,747,755
Diluted	7,950,158	5,873,952

See accompanying notes to the financial statements.

MANITOK EXPLORATION Inc.
Statements of Cash Flows
(\$)

	Year ended June 30, 2009	Year ended June 30, 2008
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net Income (loss)	(1,254,949)	103,287
Adjustments for items not affecting cash:		
Depletion, depreciation and accretion	2,283,147	1,802,635
Stock-based compensation	118,390	101,626
Future income taxes (recovery)	(405,000)	(57,170)
	741,588	1,950,378
Changes in non-cash working capital (Note 12)	33,816	(248,128)
	775,404	1,702,250
FINANCING		
Issuance of share capital	6,020,170	780,952
Revolving operating loan facility	615,769	--
Changes in non-cash working capital (Note 12)	(1,600,614)	1,600,614
	5,035,325	2,381,566
INVESTING		
Expenditures on petroleum and natural gas properties and equipment	(5,882,469)	(4,509,754)
Changes in non-cash working capital (Note 12)	(746,912)	2,533
	(6,629,381)	(4,507,221)
NET DECREASE IN CASH	(818,652)	(423,405)
CASH, BEGINNING OF YEAR	889,417	1,312,822
CASH, END OF YEAR	70,765	889,417

See accompanying notes to the financial statements

MANITOK EXPLORATION Inc.

Notes to the Financial Statements

June 30, 2009 and 2008

1. NATURE OF OPERATIONS

Manitok Exploration Inc. ("Manitok" or the "Corporation") is a private company incorporated under the Business Corporations Act (Alberta) on April 20, 2005. The Corporation is involved in the exploration, development and production of petroleum and natural gas in Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Revenue associated with sales of petroleum and natural gas and other items are recorded when the commodities are delivered and title passes to the purchaser. Revenue associated with sales of petroleum and natural gas is recorded gross of transportation and marketing charges.

(b) Joint venture activities

A significant portion of the Corporation's exploration and production activities are conducted jointly with others and, accordingly, the accounts reflect only the Corporation's proportionate interest in such activities.

(c) Use of estimates

The preparation of timely financial statements necessitates the use of estimates when transactions affecting the current accounting period cannot be finalized until future periods. These estimates will affect assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses during the reporting periods. Such estimates are based on informed judgments made by management. Actual results could differ materially from those estimated.

Amounts recorded for depletion, depreciation, asset retirement and amounts used for ceiling test calculations are based on estimates of petroleum and natural gas reserves which include estimates of future commodity prices, future costs and other relevant assumptions. The Corporation's reserves are estimated and evaluated, at a minimum, annually by an independent engineering firm. By their nature, these estimates of reserves and the related cash flows are subject to measurement uncertainty and the impact of changes in such estimates on the financial statements of future periods could be material.

The Company's policy of recognizing the fair value of stock-based compensation and utilizing the Black Scholes option valuation model to calculate the fair value makes necessary the use of assumptions, such as volatility, which are subjective in nature.

(d) Cash and cash equivalents

The Company considers all investments with maturities of three months or less, cashable guaranteed investment certificates and demand bank loans that are utilized periodically for day to day operations to be cash equivalents.

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

(e) Petroleum and natural gas properties and equipment

Capitalized costs

The Corporation follows the full cost method of accounting, whereby all costs relating to the exploration, acquisition and development of petroleum and natural gas reserves are capitalized in a single Canadian cost centre. Such costs include land acquisition costs, geological and geophysical expenses, production equipment, carrying charges of non-producing properties, costs of drilling both productive and non-productive wells and corporate charges directly related to acquisition, exploration and development activities. Proceeds from the sale of properties are applied against capitalized costs, with no gain or loss recognized, unless such a sale would alter the rate of depletion and depreciation by 20% or more.

Depletion and depreciation

Depletion and depreciation of petroleum and natural gas properties and equipment, together with the estimated future costs to be incurred in developing proved reserves, are depleted or depreciated using the unit-of-production method based on the proved reserves before royalties. Petroleum and natural gas reserves and production are converted into equivalent units based upon estimated relative energy content of six thousand cubic feet of natural gas to one barrel of oil. The costs of undeveloped properties are excluded from the costs subject to depletion and depreciation until it is determined whether proved reserves are attributable to the properties or impairment occurs.

Impairment

Petroleum and natural gas properties are evaluated each reporting period through an impairment test to determine the recoverability of capitalized costs. The carrying amount is assessed as recoverable when the sum of the undiscounted cash flows expected from proved reserves plus the cost of unproved interests, net of impairments, exceeds the carrying amount. When the carrying amount is assessed not to be recoverable, an impairment loss is recognized to the extent that the carrying amount exceeds the sum of the discounted cash flows from proved and probable reserves plus the cost of unproved interests, net of impairments. The cash flows are estimated using expected future prices and costs and are discounted using a risk-free interest rate.

Undeveloped land and unproved properties are assessed regularly to determine if there is impairment.

Administrative assets

The Corporation records depreciation on its office furniture and equipment, which includes computer equipment, on a straight-line basis using an expected useful life of four years.

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

(f) Asset retirement obligations

The Corporation recognizes the estimated liability associated with future site abandonment and reclamation costs in the financial statements when a well or related asset is drilled, constructed or acquired. Costs are estimated by management in consultation with the Corporation's engineers based on current costs and technology in accordance with current legislation and industry practices. The obligation is initially measured at fair value, and subsequently adjusted for the accretion of discount and any changes to the underlying cash flows. Fair value is determined by calculating projected cash flows adjusted for estimated inflation, and discounted using a credit adjusted risk free interest rate. The asset retirement cost is capitalized to petroleum and natural gas properties and equipment and amortized into earnings in depletion expense on a basis consistent with depletion and depreciation. Actual site restoration and abandonment expenditures are applied directly against the asset retirement obligation. The Corporation reviews the obligation regularly such that revisions to the estimated timing of cash flows, discount rates and estimated costs will result in an increase or decrease to the asset retirement obligation.

(g) Future income taxes

The Corporation accounts for its income taxes using the liability method. Under this method, future income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using the tax rates anticipated to apply in relevant future periods. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in the period that the change occurs. To the extent that the Corporation does not consider it to be more likely than not that the future tax asset will be realized, it provides a valuation allowance against the excess.

(h) Stock-based compensation

The Corporation accounts for its stock-based compensation plans using the fair value method to value stock options granted to officers, directors and employees. Under this method, compensation cost attributed to stock options granted to officers, directors, and employees is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of stock options, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The Corporation does not incorporate an estimated forfeiture rate for stock options that will not vest, but accounts for forfeitures as they occur.

(i) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. The Corporation records the carrying value of the expenditures in petroleum and natural gas properties and equipment as incurred and records the future income tax effect when the expenditures are renounced with a corresponding reduction to share capital.

(j) Per share information

Basic per share information is computed using the weighted average number of common shares outstanding during the period. Diluted per share information is calculated using the treasury stock method, which assumes that any proceeds from the exercise of "in-the-money" stock options or performance warrants would be used to purchase common shares at the average market price during the period. No adjustment to diluted earnings per share is made if the result of these calculations is anti-dilutive. The average market price is estimated by management as Manitok is a private company and its common shares do not trade on a public exchange.

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

(k) Financial Instruments – Recognition and Measurement

All financial instruments are classified into specific categories; financial assets available for sale, assets and liabilities held for trading, loans and receivables, investments held to maturity and other financial liabilities. Financial instruments are measured at fair value with subsequent measurement based on initial classification. Non-exempt derivative and embedded derivative financial instruments, part of a hedging relationship or not, are measured at fair value. All changes in their fair value are recorded in net income unless hedge accounting is utilized, which then requires any changes in fair value to be recorded in other comprehensive income until such time as the underlying hedged transaction is recognized in net income. If a hedge ceases to be effective it is immediately recognized in net income.

The Corporation has made the following classifications:

- a) Cash and cash equivalents are classified as financial assets held for trading and are measured at fair value. Gains and losses from revaluation are recognized in net income.
- b) Accounts receivable are classified as loans and receivables and are initially measured at fair value. Subsequent revaluations are recorded at amortized cost using the effective interest rate method.
- c) Revolving demand loan, accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value. Subsequent revaluations are recorded at amortized cost using the effective interest rate method.

(l) Comprehensive Income

Comprehensive income is the change in shareholders' equity resulting from transactions and events from sources other than the Corporation's shareholders. This Section requires the Corporation to present a statement of comprehensive income as part of the financial statements. There is no other comprehensive income in the periods presented, therefore no separate statement of comprehensive income has been prepared.

3. CHANGES IN ACCOUNTING POLICIES

Changes in Accounting Policies

Effective July 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

Section 1535 *Capital Disclosures* establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure requirements of the entity's objectives, policies and processes for managing capital; the quantitative data relating to what the entity regards as capital; whether the entity has complied with capital requirements and, if it has not complied, the consequences of such non-compliance. The only effect of adopting this standard is disclosures on the Corporation's capital and how it is managed, as included in Note 14.

Section 3862 – *Financial Instruments Disclosures* and Section 3863 – *Financial Instruments Presentations* which are required to be adopted for publicly accountable enterprises fiscal years beginning on or after October 1, 2007. Manitok chose to voluntarily adopt these standards on July 1, 2008 and it is expected the only effect on the Corporation will be incremental disclosures regarding the significance of financial instruments for the entity's financial position and performance;

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

and the nature, extent and management of risks to which the entity is exposed arising from financial instruments. The additional disclosures required under these sections are included in Note 13.

Section 1400 – *General Standards of Financial Statements*. The additional requirements require management to make an assessment of the Company's ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. There was no impact to the Company's financial statements arising from the adoption of the accounting pronouncement.

4. PETROLEUM AND NATURAL GAS PROPERTIES AND EQUIPMENT

June 30, 2009			
	Cost	Accumulated Depletion and Depreciation	Net Book Value
	(\$)	(\$)	(\$)
Petroleum and natural gas properties and equipment	20,425,775	(4,569,000)	15,856,775
Administrative assets	91,871	(39,491)	52,380
	20,517,646	(4,608,491)	15,909,155

June 30, 2008			
	Cost	Accumulated Depletion and Depreciation	Net Book Value
	(\$)	(\$)	(\$)
Petroleum and natural gas properties and equipment	14,515,587	(2,381,000)	12,134,587
Administrative assets	72,521	(17,574)	54,947
	14,588,108	(2,398,574)	12,189,534

The Corporation used an independent reserve company's reserve evaluation at June 30, 2009 for the purposes of determining the depletion and depreciation. As at June 30, 2009, the cost of petroleum and natural gas properties includes \$997,804 (June 30, 2008 - \$982,651) relating to unproved properties, which have been excluded from costs subject to depletion and depreciation. Future development costs of \$2,385,000 (2008 – \$2,305,000) are included in the depletion base. The Corporation has nil capitalized general and administrative costs (2008 – nil).

The Corporation performed an impairment (ceiling) test calculation at June 30, 2009 to assess the carrying value of the petroleum and natural gas properties and equipment and to assess that it does not exceed its fair value. The petroleum and natural gas future prices are based on July 1, 2009 commodity price forecasts of the Corporation's independent reserve evaluators. The following table summarizes the benchmark prices used in the ceiling test calculation:

Year	WTI Oil (\$US/bbl)	CDN/US Exchange Rate	Edmonton Par (\$CDN/bbl)	Hardisty Heavy (\$CND/bbl)	AECO Gas (\$CDN/Mcf)
2009	69.47	\$0.850	79.92	67.93	4.01
2010	73.62	\$0.875	82.32	69.15	5.80
2011	76.85	\$0.900	83.55	66.84	6.51
2012	84.39	\$0.925	89.37	69.71	6.91
2013	92.01	\$0.950	94.97	72.18	7.19
2014	93.85	\$0.950	96.89	73.64	7.36
2015	95.72	\$0.950	98.85	75.12	7.53
2016	97.64	\$0.950	100.84	76.64	7.71

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

2017	99.59	\$0.950	102.88	78.19	7.89
2018	101.58	\$0.950	104.96	79.77	8.07
2019	103.61	\$0.950	107.08	81.38	8.26
Thereafter	2%	\$0.950	2%	2%	2%

The benchmark prices were adjusted for quality and transportation in determining cash flow for ceiling test purposes.

5. REVOLVING OPERATING LOAN FACILITY

A demand bank loan has been authorized to a maximum of \$3,100,000 and bears interest at the bank's prime lending rate plus 1.35%. A general security agreement covering all assets of the Corporation has been pledged as security. Manitok had \$615,769 (2008 – nil) outstanding on its bank loan at June 30, 2009.

6. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations were estimated based on the Corporation's net ownership in all wells and facilities, the estimated cost to restore and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. The Corporation estimates the undiscounted cash flows related to asset retirement obligations, adjusted for inflation, to be incurred over the estimated reserve life of the underlying assets, ranging from 2 to 16 years is approximately \$1,863,000 (2008 – \$1,812,000). The fair value of these obligations at June 30, 2009 was \$1,010,190 (2008 - \$889,890) using a credit-adjusted risk-free interest rate of 8.0% (2008 – 8.0%) and an inflation rate of 2.0% (2008 – 2.0%).

A reconciliation of the asset retirement obligations is provided below:

(\$)	June 30, 2009	June 30, 2008
Opening Balance, July 1	889,890	749,090
Obligations incurred	47,070	79,120
Accretion expense	73,230	61,680
Ending Balance	1,010,190	889,890

7. INCOME TAXES

(a) The provision for income taxes differs from the result that would be obtained by applying the combined current year Canadian federal and provincial income tax rates of 30.00% (2008 – 30.80%) to the income before taxes. The difference results from the following items:

(\$)	2009	2008
Income (loss) before taxes	(1,659,949)	46,117
Computed expected income tax expense (recovery)	(497,985)	14,204
Increase (decrease) in taxes resulting from:		
Non-deductible stock-based compensation	35,517	31,301
Non-deductible meals and entertainment	2,092	570
Other	--	(4,843)
Change in tax rates	--	(91,700)
Lower effective rate attributable to decreasing rates in future	55,376	(6,702)
Valuation Allowance	--	--
Future income taxes	(405,000)	(57,170)

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

- (b) The components of the future income tax assets and liabilities at June 30, 2009 and June 30, 2008 are as follows:

(\$)	2009	2008
Future income tax liabilities:		
Property, plant and equipment	(2,695,400)	(1,728,100)
Future income tax assets:		
Asset retirement obligation	265,900	234,200
Share issue costs	13,020	400
Non capital losses	1,259,600	632,400
	(1,156,880)	(860,900)
Valuation allowance	--	--
Net future income tax liability	(1,156,880)	(860,900)

8. SHARE CAPITAL

- (a) Authorized

Unlimited number of Class A voting common shares
 Unlimited number of Class B non-voting preferred shares

- (b) Issued

	Number of Class A Common Shares	Amount (\$)
Balance, June 30, 2007	5,493,882	8,746,878
July 27, 2007: Private Placement – Common Shares	202,500	405,000
August 30, 2007: Private Placement – Common Shares	4,400	9,680
December 31, 2007: Private Placement – Flow Through Shares	124,160	366,272
Tax Effect of Flow Through Share Renunciation		(410,470)
Balance, June 30, 2008	5,824,942	9,117,360
July 10, 2008: Private Placement – Flow Through Shares	667,959	1,970,479
July 14, 2008: Private Placement – Common Shares	1,284,749	3,147,635
August 29, 2008: Private Placement – Common Shares	37,028	90,719
September 29, 2008: Private Placement – Flow Through Shares	85,000	250,750
Share issue costs, net of tax effect		(36,687)
Balance, September 30, 2008	7,899,678	14,540,256
December 20, 2008: Private Placement – Common Shares	48,375	118,518
December 31, 2008: Private Placement – Flow Through Shares	228,773	503,301
Share issue costs, net of tax effect		(8,429)
Balance, December 31, 2008	8,176,826	15,153,646
Tax Effect of Flow Through Share Renunciation		(717,096)
Balance, June 30, 2009	8,176,826	14,436,550

9. STOCK-BASED COMPENSATION

The Corporation has established a stock-based compensation plan whereby officers, employees, directors and key consultants may be granted options or warrants to purchase one common share for each option or warrant granted, at a fixed price not less than the fair market value of the stock at the time of grant, subject to certain conditions being met. Stock options granted under this plan vest

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

over a three year period at the rate of one-third on each anniversary date of the stock option grant. All stock options granted are for a five year term.

In order to calculate the compensation expense, the fair value of the stock options and the warrants is estimated using the Black-Scholes option-pricing model that takes into account, as of the grant date: exercise price, expected life, current price, expected volatility, expected dividends, and risk-free interest rates.

Stock Options

The weighted average assumptions used in calculating the fair values of the stock options granted in the year are set forth below:

	2009	2008
Risk-free interest rate	1.7%	3.3%
Expected life (years)	3.0	3.0
Expected volatility ⁽¹⁾	42.0%	42.0%
Dividend per share	\$0.00	\$0.00
Grant date fair value per option	\$0.74	\$0.78

(1) Volatility was determined using the average volatility of similar sized publicly trading companies.

A summary of the changes in the number of stock options outstanding under the plan is presented below:

Date of Grant	Number Outstanding	Weighted Average Exercise Price (\$)
September 9, 2005	320,000	1.45
February 28, 2007	125,000	2.00
Outstanding, June 30, 2007	445,000	1.60
January, 9, 2008	152,000	2.45
March 13, 2008	67,500	2.45
Outstanding, June 30, 2008	664,500	1.88
December 18, 2008	185,500	2.45
Outstanding, December 31, 2008	850,000	2.01
Cancelled options	(147,500)	
Outstanding, June 30, 2009	702,500	2.09

A summary of the stock options outstanding at June 30, 2009 is presented below:

Outstanding			Exercisable	
Number of options	Weighted average exercise price	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price
207,500	\$1.45	1.2	207,500	\$1.45
105,000	\$2.00	2.7	70,000	\$2.00
137,000	\$2.45	3.5	45,667	\$2.45
67,500	\$2.45	3.7	22,500	\$2.45
185,500	\$2.45	4.5	--	--
702,500	\$2.09	2.8	345,667	\$1.76

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

Performance Warrants

On July 1, 2006 the Company granted 300,000 performance warrants with an exercise price of \$2.00 per share that vest upon certain performance criteria being met. The performance criteria are met when the market price of the common shares equals or exceeds \$4.00 per common share and it is combined with a liquidity event. The liquidity event can be either the outright sale or merger of the Corporation or any event which causes the private entity to become a public entity. All warrants have a five year term.

The compensation expense relating to the performance warrants was recorded in the 2007 fiscal year in accordance with CICA Handbook section 3870.

10. CONTRIBUTED SURPLUS

	(\$)
Balance, July 1, 2007	238,845
Stock-based compensation expense – stock options	101,626
Balance, June 30, 2008	340,471
Stock-based compensation expense – stock options	118,390
Balance, June 30, 2009	458,861

11. COMMITMENTS

Flow-Through Share Commitment

The Corporation committed to renounce \$278,173 of exploration expenditures for the 2007 taxation year at December 31, 2007 pursuant to a flow-through common share issue completed on June 29, 2007. Manitok had until December 31, 2008 to incur these exploration expenditures. As at December 31, 2008, Manitok had satisfied its obligation.

The Corporation committed to renounce \$366,272 of exploration expenditures for the 2007 taxation year at December 31, 2007 pursuant to a flow-through common share issue completed on December 31, 2007. Manitok had until December 31, 2008 to incur these exploration expenditures. As at December 31, 2008, Manitok had satisfied its obligation.

The Corporation committed to renounce \$1,970,479 of exploration expenditures for the 2008 taxation year at December 31, 2008 pursuant to a flow-through common share issue completed on July 10, 2008. Manitok has until December 31, 2009 to incur these exploration expenditures. As at December 31, 2008, Manitok had satisfied its obligation.

The Corporation committed to renounce \$250,750 of exploration expenditures for the 2008 taxation year at December 31, 2008 pursuant to a flow-through common share issue completed on September 29, 2008. Manitok has until December 31, 2009 to incur these exploration expenditures. As at December 31, 2008, Manitok had satisfied its obligation.

The Corporation committed to renounce \$503,301 of exploration expenditures for the 2008 taxation year at December 31, 2008 pursuant to a flow-through common share issue completed on December 31, 2008. Manitok has until December 31, 2009 to incur these exploration expenditures. As at January 31, 2009, Manitok had satisfied its obligation.

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

Office Premises

The Corporation is committed under a new operating lease beginning May 1, 2008 which expires on February 27, 2010. Under this commitment the Corporation will pay a monthly rate of \$14,174, excluding occupancy costs, until the lease expires.

2010 \$ 113,392

12. SUPPLEMENTARY CASH FLOW INFORMATION

The following table details the changes in non-cash working capital:

	June 30, 2009	June 30, 2008
	(\$)	(\$)
Provided by (used in)		
Accounts receivable	971,471	(654,441)
Prepaid and deposits	(27,384)	(22,165)
Accounts payable and accrued liabilities	(3,257,797)	2,031,625
Total	(2,313,710)	1,355,019
Operating	33,816	(248,128)
Financing	(1,600,614)	1,600,614
Investing	(746,912)	2,533
Total	(2,313,710)	1,355,019

There were no cash taxes paid or received in the years ended June 30, 2009 and June 30, 2008. There was \$67,764 (2008 - \$17,534) of interest income received in the 2009 year.

13. FINANCIAL INSTRUMENTS

Fair value

The Corporation's carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the immediate or short-term maturity of these instruments.

Credit risk

The Corporation is exposed to credit risks on the accounts receivable with customers and joint venture partners in the petroleum and natural gas industry. There is a concentration of risk as three companies make up 76% (2008 - 90%) of the total accounts receivable balance. The Corporation sells its production through a combination of marketing companies and joint venture operators under normal industry sale and payment terms. Typically, Manitok's maximum credit exposure to customers is revenue from two months of commodity sales

The following illustrates the Corporations receivables:

(\$)	June 30, 2009	June 30, 2008
Marketers	206,899	694,497

MANITOK EXPLORATION Inc.
Notes to the Financial Statements

June 30, 2009 and 2008

Joint venture partners	54,855	502,822
Other	25,841	54,077
Total Receivables	287,595	1,251,396

Receivables from marketers are normally collected on the 25th day of the month following production. Manitok's policy to mitigate credit risk associated with these balances is to establish marketing relationships with credit worthy purchasers. The Corporation historically has not experienced any material collection issues with its marketers.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. Manitok's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient liquidity to meet its short term and long term financial liabilities when due, under both normal and unusual conditions without incurring unacceptable losses or risking harm to the Corporation's reputation.

The following table lists the contractual maturities of the Corporation's financial liabilities as at June 30, 2009:

<i>(\$000's)</i>	< 1 Year	1 – 2 Years	2 – 5 Years	Thereafter
Accounts payable and accrued liabilities	479,066	-	-	-
Revolving operating loan facility ⁽¹⁾	615,769	-	-	-
Total Financial Liabilities	1,094,835	-	-	-

(1) The Revolving Operating Loan Facility bears interest at a floating rate of prime + 1.35%.

Manitok prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Petroleum and natural gas production is monitored weekly and is used to provide monthly current cash flow estimates. The Corporation also attempts to match its payment cycle with collection of petroleum and natural gas revenues.

Commodity Price and Foreign Exchange Risk

The nature of the Company's operations results in exposure to fluctuation in commodity prices and foreign exchange rate. From time to time term sales contracts and derivative financial instruments may be used by the Company to reduce its exposure to fluctuations in commodity prices, and foreign exchange rates. The Company had no risk management contracts in place during the period.

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 Corporation is exposed to interest rate cash flow risk on floating interest rate bank debt due to fluctuations in market interest rates. The remainder of the Corporation's financial assets and liabilities are not exposed to interest rate risk.

As at June 30, 2009, if the interest rate had changed 1% with all other variables held constant, Manitok's net income (loss) and other comprehensive income (loss) for the Reporting Period would have changed by \$6,158, based on the outstanding amount on the Revolving Operating Loan Facility at June 30, 2009. The Corporation considers this risk to be limited and thus does not hedge its interest rate risk.

14. CAPITAL MANAGEMENT

MANITOK EXPLORATION Inc.
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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 additional acquisitions; to maintain a capital structure that allows Manitok to favor the financing of its growth strategy using internally-generated cash flow and its debt capacity; and to optimize the use of its capital to provide an appropriate investment return to its shareholders.

(\$'s)	June 30, 2009	June 30, 2008	Change %
Total shareholders' equity ⁽¹⁾	13,297,172	9,114,541	45%
Total shareholders' equity as a % of total capital	97%	87%	
Working capital deficit ⁽²⁾	444,913	1,324,202	
Total indebtedness	444,913	1,324,202	(66%)
Total debt as a % of total capital	3%	13%	
Total capital	13,742,085	10,438,743	31%

(1) Shareholders' equity is defined as share capital plus contributed surplus plus retained earnings, less any deficit.

(2) Working capital deficit is defined as current assets less current liabilities.

During the year ended June 30, 2009, total equity increased due to the issuance of common and flow-through shares (Note 8), and due to recording stock-based compensation expense (Note 10).

15. CONTINGENCY

The Company was issued a statement of claim from a previous employee claiming wrongful dismissal. The Company has filed a statement of defense and counterclaimed. The intent of management is to vigorously defend the claim. The matter is in the early stages of litigation and thus, it is impossible to predict any outcome but the Company believes the employee's claim is without merit.

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⁽¹⁾ Reserve Committee Member

⁽²⁾ Audit Committee Member

⁽³⁾ Compensation Committee Member

⁽⁴⁾ Corporate Governance Committee