# JAGERCOR ENERGY CORP.
# MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THIRD QUARTER ENDED JANUARY 31, 2015

## OVERVIEW

The following sets out the Management's Discussion and Analysis ("MD&A") of results of operations and financial condition of **Jagercor Energy Corp.** (formerly Jagercor Metal Corp. and Anglo-Canadian Gas Corp.) (the "Company", "Jagercor", "our" and "we") describing the operating and financial results of the Company for the quarter ended January 31, 2015. The following MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the accompanying notes for the nine months ended January 31, 2014, and the audited financial statements and the accompanying notes for the year ended April 30, 2014, copies of which are filed on the SEDAR website: www.sedar.com.The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements of the Company are presented on a consolidated basis with the Company's 96.8% interest in the Argentinean controlled company. All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

## DESCRIPTION OF THE COMPANY'S BUSINESS

Jagercor Energy Corp. (the "Company") was incorporated under the laws of the province of British Columbia on 8 June 1987. On 20 January 2011, the Company's name was changed from Anglo-Canadian Gas Corp. to Jager Metals Inc. Effective 24 January 2014, the Company's name was changed from Jager Metals Inc. to Jagercor Energy Corp. On 2 August 2013, the Company commenced trading on the Canadian National Securities Exchange ("CNSX") under the symbol 'JEM'.

The Company is a diversified, upstream oil and gas services company with capabilities in reservoir development, production optimization and production management. The company plans to evaluate and explore commercial opportunities, with an emphasis on acquiring and developing oil and gas properties; with particular focus in the near term, over energy concessions in South America. The Company has a skillful technical and highly trained management team with many years of operational experience in the oilfield operation sector in Argentina.

The Company's future capital requirements will depend on many factors, including operating costs, production of oil and gas, the current market environment and global market conditions. At January 31, 2015 the Company had working capital of $477,253 (April 30, 2014 – $2,378,608). For significant expenditures and gas and oil property development, the Company will almost exclusively depend on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the further success of the business could be adversely affected.

The principal address of the Company is at P.O. Box 49290 1000 - 595 Burrard Street, Vancouver, BC, V7X 1S8.

## OVERALL PERFORMANCE

The third quarter January 31, 2015 saw significant activity for Jagercor. This activity was centered on the closing of the second and third tranche to fund the drilling and completion of the three wells at the Catriel Oeste Oil Concession, located in Rio Negro Province, Argentina and to build a team of dedicated and talented professionals.

The successful completion of Jagercor's three wells has been performed within the estimated cost of construction on the Catriel Oeste Project.

In the period ending in December 2014 production from the wells was 9,204 barrels of crude oil and net proceeds were CAD 514,680 which represents the 70% take that Jagercor received from the total sales of crude oil. The average price of crude oil for that period was USD 84 per barrel. Based on Central's production reports, gross cumulative production of the three wells during January 2015 was 4,676 barrels of crude oil. The price at which that production was sold was USD 77 per barrel, this proceeds will be accounted for in the next quarter's financial statements.

## OPERATIONAL UPDATE

On August 7, 2014 the Company entered into a Development Agreement with Central International Corporation Sucursal Argentina ("Central") to fund the construction of wells located in Rio Negro Province, Argentina. The Company plans to fund the drilling and completion of three development wells in conjunction with a partner in the Catriel Oeste Oil Concession located in the Rio Negro Province, Argentina; which is the property of Central International Corporation Sucursal Argentina ("Central"). The objective is to continue developing traditional reservoirs on top of Quintuco formation.

Under the terms of the Agreement, the Company will pay approximately US $4,200,000 to Central, which will be used to drill, complete and equip three development wells. In the initial phase of the project, 70% of gross proceeds will flow to the Company in order to recover its investment. Once the investment is recovered, the Company's will receive 40% shares of production from the wells. As at 31 January 2015, the Company invested US $4,153,378 (CAD $5,281,546) into drilling, and realized investment return of US $404,718 (CAD $514,680).

On November 27, 2014 the Company announced that it had completed the drilling and completion phase of the three wells at the Catriel Oeste Oil Concession, located in Rio Negro Province, Argentina, which is the property of Central International Corporation Sucursal Argentina ("Central"). The wells were drilled as part of a project agreed to by Jagercor with Central pursuant to the Development Agreement (the "Agreement") previously announced on August 7, 2014.

The recoverability of the amounts expended by the Company on acquiring and exploiting properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to develop the properties and upon future profitable production.

## RESULTS OF OPERATIONS

The Company had net and comprehensive gain of $1,245,802 for the nine months ended January 31, 2015 (2014 – net and comprehensive loss of $633,177). The Company's operating expenses included the following:

- General & Administrative of $656,495 (2014 - $228,862)
- Operating Costs of $10,649 (2014 - $13,805)
- Business Development of $259,855 (2014 - $6,480)
- Share-based payments of $29,851 (2014 - $384,030)

The significant increase in the net and comprehensive gain is due to cumulative translation adjustment of $491,486 (2014 - $Nil), and $1,790,405 (2014 - $Nil) of gains as a result of exchange differences.

General & Administrative of $656,495 (2014 - $228,862) increased compared to the same period in the previous year due to costs associated with the activity of the Company's operations and its higher regulatory filing fees as a result of the increased activity due to reactivation.

Operating costs of $10,649 (2014 - $13,805) related to consulting expenses in connection with consultants with their advice and guidance for the operations of the Company and its compliance.

Business Development of $259,855 (2014 - $6,480) increased significantly due to seeking and financing business opportunities connected to oil and gas production management and field development in South America, mainly in Argentina and due to increased financing and capital raising activities.

By January 31, 2014 the Company's efforts were focused on reactivating the Company to trading status and investigating oil and gas property opportunities while by January 31, 2015 the Company is monitoring its Catriel Oeste Project, located in Rio Negro Province, Argentina and seeking for new opportunities in Oil & Gas, mainly in Argentina while maintaining the Company's status as a reporting issuer on the Canadian Securities Exchange.

## CHANGES IN MANAGEMENT

During the quarter ended January 31, 2015, Jagercor continued to strengthen its team, with the hire of Alejandro Cherñacov as Chief Financial Officer and Director. This strategic hire will enhance the Company to pursue strategic opportunities for the benefit of Jagercor's shareholders.

## SUMMARY OF QUATERLY FINANCIAL RESULTS

As required by Form51-102F1 the following is a summary of the Company's financial results for the eight most recently completed quarters.

| For the quarter ended | January 31, 2015 | October 31, 2014 | July 31, 2014 | April 30, 2014 |
|---|---|---|---|---|
| Net income(loss) | $334,636 | $(466,165) | $(279,640) | $(3,695,598) |
| Earnings(loss) per share–basic and diluted | $0.004 | $(0.01) | $(0.004) | $(0.077) |
| **For the quarter ended** | **January 31, 2014** | **October 31, 2013** | **July 31, 2013** | **April 30, 2013** |
| Net income (loss) | $(56,077) | $(458,370) | $(139,730) | $(12,177) |
| Earnings(loss)per share–basic and diluted | $(0.001) | $(0.010) | $(0.003) | $(0.002) |

Variations in losses occur during quarters where share-based payments were recorded, higher general & administrative, and operating costs, and business development were incurred associated to the Company's operational activities to raise its capital to finance its projects and support management and administration functions. Other expenses also increase or decrease to support the operating activities of its project.

The net income realized during the quarter ended January 31, 2015 was mainly due to exchange differences of $1,790,405 realized when funds were transferred to its Argentinean controlled company with the purpose of financing the 3 well project in Catriel Oeste. Excluding financial results, which were primarily incurred due to the transfer of funds, the Company reported a net loss of $355,179.

## LIQUIDITY AND CAPITAL RESOURCES

As of January 31, 2015, the Company had net working capital of $477,253 (April 30, 2014 – $2,378,608) and cash and cash equivalents of $483,276 (April 30, 2014 - $2,378,123). Management plans to continue analyzing different alternatives to finance the Company's growth projects throughout the coming year, either with private placements, loans or its own cash flow.

### Share transactions:

During the nine month period ended 31 January 2015 and for the year ended 30 April 2014, the Company issued common shares as follows:

On 2 December 2014, 2,000,000 common shares valued at $0.06 per share with 1,000,000 share purchase warrants cancelled, and the warrants were cancelled unexercised.

On 24 November 2014, the Company issued 8,396,192 units valued at $0.06 per unit for total proceeds of $503,772. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant is exercisable to acquire one additional common share at any time for a two year period following issuance, at an exercise price of $0.12 per common share.

On 7 November 2014, the Company issued 8,192,500 units valued at $0.06 per unit for total proceeds of $491,550. Each unit consists of one common share and one half of one common share purchase warrant. Each warrant is exercisable to acquire one additional common share at any time for a two year period following issuance, at an exercise price of $0.12 per common share. A total of $39,324 was paid in finders' fees, and 655,400 finders' warrants were issued.

On 27 October 2014, the Company issued 12,734,751 units valued at $0.06 per unit for total proceeds of $764,085. Each unit consists of one common share and one half of one share purchase warrant. Each one whole share purchase warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months at an exercise price of $0.12. Share purchase warrants and shares will be subject to a four month holding period. The Company paid finder's fees on a portion of the private placement by issuing 186,680 share purchase warrants and paid $11,201. Each share purchase warrant entitles the holder to purchase one additional common share of the Company for a period of 12 months at an exercise price of $0.12.

On 14 August 2014, the Company issued 25,000 common shares valued at $0.07 per common share on the exercise of stock options for total proceeds of $1,750.

On 18 July 2014, the Company issued 40,000 common shares valued at $0.0625 per common share on the exercise of share purchase warrants for total proceeds of $2,500.

On 18 July 2014, the Company issued 133,336 common shares valued at $0.0625 per common share on the exercise of share purchase warrants for total proceeds of $8,333.

On 16 July 2014, the Company issued 200,000 common shares valued at $0.0625 per common share on the exercise of share purchase warrants for total proceeds of $12,500.

On 15 July 2014, the Company issued 300,000 common shares valued at $0.0625 per common share on the exercise of share purchase warrants for total proceeds of $18,750.

On 11 July 2014, the Company issued 306,664 common shares valued at $0.0625 per common share on the exercise of share purchase warrants for total proceeds of $19,167.

On 7 July 2014, the Company issued 30,000 common shares valued at $0.07 per common share on the exercise of stock options for total proceeds of $2,100.

On 16 May 2014, the Company issued 25,000 common shares at $0.07 per common share on the exercise of stock options for total proceeds of $1,750.

On 2 May 2014, the Company issued 25,000 common shares at $0.07 per common share on the exercise of stock options for total proceeds of $1,750.

**Cash Flow Activities:**

Cash balances decreased by $1,894,847 during the nine months ended January 31, 2015 and increased by $60,494 during the nine months ended January 31, 2014.

During the nine months ended January 31, 2015, cash provided by operating activities was $1,104,536 compared to cash used in operating activities of $280,756 during the nine months ended January 31, 2014. The increase in cash provided by operating activities is primarily attributed to cumulative currency translation adjustment of $491,486 and funds translation gain of $1,790,405.

Cash used in investing activities during the nine months ended January 31, 2015 was $4,776,866 compared with cash used in investing activities of $10,825 during the nine months ended January 31, 2014. The difference is primarily attributed to the investment in oil and gas property, and the increased in evaluation and exploration expenditures incurred during the nine months ended January 31, 2015. From the investment, the Company realized investment return of $514,680.

Cash provided in financing activities during the nine months ended January 31, 2015 was $1,777,482 compared with cash provided in financing activities of $352,075 during the nine months ended January 31, 2014. The difference is primarily attributed to the proceeds from issuance of common shares, and share issuance cost associated with raising the shares.

The Company's interests do not currently generate significant cash flow from operations and, in order to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new shareholders, third party financing, and cost sharing arrangements to fund its work programs and operations.

## OUTSTANDING SHARES

### Outstanding Share Data

As at January 31, 2015, there were 94,348,491 common shares, 14,260,428 share options, and 29,098,000 warrants outstanding.

| | Number of shares | Share capital |
|---|---|---|
| Balance, April 30, 2014 | 65,940,048 | $ 6,163,974 |
| Shares issued for private placement | 27,323,443 | 1,639,407 |
| Exercise of options | 105,000 | 14,228 |
| Exercise of warrants | 980,000 | 80,556 |
| Shares issuance cost (warrants) | - | (414,624) |
| Shares issuance cost | - | (50,525) |
| Balance, January 31, 2015 | 94,348,491 | $ 7,433,015 |

As of the date this report, the Company had the following outstanding:

- 94,348,491 common shares
- 20,583,800 warrants
- 14,260,428 share options

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at January 31, 2015 or as of the date of this report.

## TRANSACTIONS WITH RELATED PARTIES

The amounts due to/from related parties are amounts due to the directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

| **As at** | **31 January 2015** | 30 April 2014 (Audited) |
|---|---|---|
| | **$** | $ |
| Jager Energia Argentina S.A. | **-** | (11,139) |
| **Total amount due to (from) related party** | **-** | (11,139) |

During the nine months ended January 31, 2015 and 2014, the Company entered into the following transactions with related parties:

| | **Nine months ended** | |
|---|---|---|
| | **31 January 2015** | 31 January 2014 |
| | **$** | $ |
| Short-term benefits – Management fees | **165,689** | 70,750 |
| Short-term benefits – Director fees | **3,000** | 10,600 |
| Share-based payment – Directors | **29,851** | 384,030 |
| **Total key management personnel compensation** | **198,540** | 465,380 |

## CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

i) Exploration and Evaluation Expenditures
The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

ii) Title to Mineral Property Interests
Although the Company has taken steps to verify title to mineral, and gas and oil properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iii) Income Taxes
The Company has not recognized a deferred tax asset, as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

iv) Share-based Payment Transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them.

v) Foreign currencies
The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The Company determined that its functional currency is the Canadian dollar for its parent, and its Argentinean controlled company's functional currency is the US dollar. This policy was adopted at the commencement of payments received in its Argentinean controlled company relating to its oil and gas investment.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.
Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the unaudited condensed consolidated interim financial statements for the nine months ended January 31, 2015 that are available on SEDAR at www.sedar.com.

## RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

### Limited Operating History

The Company has no history of business or mining operations, revenue generation or production history. The Company was incorporated on June 8, 1987 and has not yet generated a significant profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

### Exploration, Development and Operating Risks

The exploration for and development of oil and gas properties involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing oil and gas. There can be no guarantee that the estimates of quantities and qualities of production disclosed will be economically recoverable. With all operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Oil and Gas exploration is speculative in nature and there can be no assurance that any hydrocarbon discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of oil and gas. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the production of the hydrocarbon, any of which could result in damage to, or destruction of, other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

### Fluctuating Commodity Prices

The economics of hydrocarbon exploitation is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade and production and fluctuations in the market price of the commodities. Depending on the price of the commodities, it may be determined that it is impractical to continue the exploitation operation. Oil and Gas prices are prone to fluctuations and the marketability is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of the commodities, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any hydrocarbon found on the Property.

### Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates.

### Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned gas and oil operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Commodity prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

**Regulatory Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of hydrocarbon properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

**Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

**Title to Properties**

Acquisition of title to hydrocarbon properties is a very detailed and time-consuming process. Title to, and the area of, properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and produce any gas or oil on that property, without compensation for its prior expenditures relating to such property.

**Requirement for Permits and Licenses**

As the Company holds properties subject to the NSR and it and may need to acquire further permits or licenses necessary to carry on proposed exploration activities on the properties. A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

**Competition**

There is competition within the oil and gas industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of claims, leases and other interests as well as for the recruitment and retention of qualified employees and other personnel.

**Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

**Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the oil and gas exploitation business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

**Local Resident Concerns**

Apart from ordinary environmental issues, work on, or the development of the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

**Uninsurable Risks**

Exploration, development and production operations on hydrocarbon properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company’s results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

**Litigation**
The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

## FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management’s plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company’s business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes or other risks of the oil & gas industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Jagercor has no working interest in the Property and does not claim to report any reserves, resources other than reserves or measurements thereof. Jagercor´s interest is limited to a funding agreement in the form of the Agreement entered into with Central.

Any references in this MD&A to test rates, flow rates, initial and/or final raw test or production rates, early production, test volumes behind pipe and/or "flush" production rates are useful in confirming the presence of hydrocarbon, however, such rates are not necessarily indicative of long-term performance or of ultimate recovery. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Jagercor or its partners.

All calculations converting natural gas to barrels of oil equivalent ("boe") have been made using a conversion ratio of six thousand cubic feet (six "Mcf") of natural gas to one barrel of oil, unless otherwise stated. The use of boe may be misleading, particularly if used in isolation, as the conversion ratio of six Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company’s business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

## MANAGEMENT'S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New Accounting Standards Adopted

The Company has adopted the following accounting standards effective May 1, 2013. The adoption of these accounting standards had no significant impact on the financial statements. These standards are:

- IAS 1 (Amendment): This standard is amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.
- IFRS 7 (Amendment): This standard is amended to enhance disclosure requirements related to offsetting of financial assets and financial liabilities.
- IFRS 10: New standard to establish principles for the presentation and preparation of consolidated financial statements.
- IFRS 11: New standard to account for the rights and obligations in accordance with a joint agreement.
- IFRS 12: New standard for the disclosure of interest in other entities not within the scope of IFRS 9 / IAS 39.
- IFRS 13: New standard on the measurement and disclosure of fair value.
- IAS 27 (Amendment): As a result of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 27 deals solely with separate financial statements.
- IAS 28 (Amendment): New standard issued that supersedes IAS 28 (2003) to prescribe the application of the equity method to investments in associates and joint ventures.

New Accounting Standards, Amendments and Interpretations Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") beginning after January 1, 2014 or later years. None of these are expected to have a significant effect on the financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

The Company does not expect that the new and amended standards will have significant impact on its financial statements.

## FINANCIAL AND OTHER INSTRUMENTS

***Categories of financial instruments***

| **As at** | **31 January 2015** | 30 April 2014 (Audited) |
|---|---|---|
| | **$** | $ |
| **FINANCIAL ASSETS** | | |
| | | |
| **FVTPL, at fair value** | | |
| Cash and cash equivalents | **483,276** | 2,378,123 |
| Investment | **4,766,866** | - |
| Due from related party | **-** | 11,139 |
| **Total financial assets** | **5,250,142** | 2,389,262 |
| | | |
| **FINANCIAL LIABILITIES** | | |
| | | |
| **Other liabilities, at amortized cost** | | |
| Trade payables | **51,437** | 24,969 |
| Loans payable | **-** | 5,000 |
| **Total financial liabilities** | **51,437** | 29,969 |

***Fair Value***

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.

- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 January 2015, the Company does not have any Level 3 financial instruments.

| As at 31 January 2015 | Level 1 | Total |
|---|---|---|
| | $ | $ |
| **Financial assets at fair value** | | |
| Cash and cash equivalents | 483,276 | 483,276 |
| **Total financial assets at fair value** | **483,276** | **483,276** |

| As at 30 April 2014 (Audited) | Level 1 | Total |
|---|---|---|
| | $ | $ |
| **Financial assets at fair value** | | |
| Cash and cash equivalents | 2,378,123 | 2,378,123 |
| **Total financial assets at fair value** | 2,378,123 | 2,378,123 |

There were no transfers between Level 1 and 2 during the nine month period ended 31 January 2015.

***Management of financial risks***

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. As a result, credit risk is considered insignificant.

**Liquidity risk**

The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 January 2015, the Company had a working capital of $477,253 (30 April 2014 – working capital of $2,378,608).

**Other risks**

Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest or commodity risk arising from these financial instruments.

The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price or interest rate market risks.

## PROPOSED TRANSACTIONS

The Company had no proposed transactions.

## DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

## OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, continuing evaluating acquire and development activities in oil and gas properties, and the Company’s ongoing evaluation of possible projects.

## OTHER REQUIREMENTS

Additional disclosure of the Company’s material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.

## OTHER MATTERS

**Legal proceedings**

The Company is not aware of any legal proceedings.

**Contingent liabilities**

At the date of report, management was unaware of any outstanding contingent liability relating to the Company’s activities.

## OFFICERS AND DIRECTORS OF THE COMPANY

As at March 31, 2015, the officers and directors of the Company are:

Edgardo Angel Russo – Director, President and CEO
Alejandro Cherñacov – Director and CFO
Matias Bullrich – Director
Dennis Mee – Director
John Doherty – Director
Peni Landisi – Corporate Secretary

## APPROVAL

The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.
On Behalf of the Board of Directors,

Edgardo Russo (Mar 31, 2015)

Edgardo Angel Russo
President, CEO and Director
March 31, 2015