UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended August 31, 2015

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report ____________________________

For the transition period from_________________to______________

Commission File Number: 0-53646

EAGLEFORD ENERGY CORP.
(Formerly: Eagleford Energy Inc.)
(Exact name of Registrant as specified in its charter)

Ontario, Canada
(Jurisdiction of incorporation or organization)

1 King Street West, Suite 1505
Toronto, Ontario, Canada, M5H 1A1
(Address of principal executive offices)

James Cassina, Telephone (416) 364-4039, Fax (416) 364-8244
1 King Street West, Suite 1505, Toronto, Ontario, Canada, M5H 1A1
(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to section 12(b) of the Act: **None**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **Common Stock, no par value**
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**
(Title of Class)

The number of outstanding shares of the issuer's common stock as of August 31, 2015 was 27,671,541 shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or a transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. '
Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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GENERAL

In this Annual Report, references to "we", "us", "our", the "Company", and "Eagleford" mean Eagleford Energy Corp. (Formerly: Eagleford Energy Inc.), and its subsidiaries, unless the context requires otherwise.

We use the Canadian dollar as our reporting and presentation currency and our consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All monetary references in this document are to Canadian dollars, unless otherwise indicated. All references in this document to "dollars" or "$" or "CDN$" mean Canadian dollars, unless otherwise indicated, and references to "US$" mean United States dollars.

Except as noted, the information set forth in this Annual Report is as of November 30, 2015 and all information included in this document should only be considered accurate as of such date. Our business, financial condition or results of operations may have changed since that date.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Much of the information included in this Annual Report is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. These statements relate to future events or our future financial performance. In some cases you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of those terms or other comparable terminology. 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 our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Such estimates, projections or other forward-looking statements involve various risks and uncertainties and other factors, including the risks in the section titled "Risk Factors" below, which may cause our actual results, levels of activities, 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. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform those statements to actual results.

The statements contained in Item 4 – "Information on the Company", Item 5 – "Operating and Financial Review and Prospects" and Item 11 – "Quantitative and Qualitative Disclosures about Market Risk" are inherently subject to a variety of risks and uncertainties that could cause actual results, performance or achievements to differ significantly.

PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

A. DIRECTORS AND SENIOR MANAGEMENT

Not applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

B. ADVISERS

Not applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

C. AUDITORS

Not applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

A. OFFER STATISTICS

Not applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

B. METHOD AND EXPECTED TIMETABLE

Not applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

ITEM 3 KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following table presents selected financial data derived from our Audited Consolidated Financial Statements for the fiscal years ended August 31, 2015, 2014, 2013, 2012 and 2011. You should read this information in conjunction with our Audited Consolidated Financial Statements and related notes (*See Item 18: "Financial Statements"*), as well as (*Item 4: "Information on the Company" and Item 5: "Operating and Financial Review and Prospects"*) of this Annual Report.

Our consolidated financial statements have been prepared in accordance International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The selected consolidated statement of operations data set forth below for the years ended August 31, 2015, 2014, 2013, 2012 and 2011 and the selected consolidated statement of financial position information set forth below as of August 31, 2015, 2014, 2013, 2012 and 2011 is derived from our consolidated financial statements, which have been audited by Schwartz Levitsky Feldman LLP, Chartered Accountants, Toronto, Canada all of which are attached to and forming part of this Annual Report under Item 18 – Financial Statements.

EAGLEFORD ENERGY CORP.
Prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB")
(STATED IN CANADIAN DOLLARS)
Except share and per share data

CONSOLIDATED STATEMENT OF FINANCIAL POSITION INFORMATION

	YEARS ENDED AUGUST 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Cash	$ 32,192	$ 103,215	$ 196,837	$ 330,003	$ 165,266
Total assets	$ 93,115	$ 5,296,928	$ 6,918,196	$ 8,998,016	$ 9,575,976
Total liabilities	$ 3,326,272	$ 8,016,363	$ 6,776,052	$ 6,047,663	$ 6,848,676
Total shareholders' equity (deficiency)	$ (3,233,160)	$ (2,719,435)	$ 142,144	$ 2,950,353	$ 2,727,300

CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION

	YEARS ENDED AUGUST 31,				
	2015	2014	2013	2012	2011
Revenue					
Natural gas sales, net of royalties	$ 53,055	$ 65,024	$ 30,062	$ 39,218	$ 56,916
Expenses					
Operating costs	24,910	17,138	9,234	28,471	52,190
Depletion and accretion	-	1,536	13,283	20,509	23,912
General and administrative	89,007	403,425	582,364	705,591	502,474
Interest expense	280,299	284,038	76,763	88,789	68,199
(Gain) loss on derivative liabilities	(2,653,591)	2,735,476	128,041	46,655	(126,410)
(Gain) loss on foreign exchange	415,345	101,427	197,640	36,283	(161,340)
Marketing and public relations	(22,800)	(14,250)	25,763	46,272	88,569
Gain on disposal of subsidiary	(615,881)	-	-	-	-
Stock based compensation	84,250	-	-	95,910	-
Stock based compensation-non employees	28,173	-	-	75,062	-
Accretion of secured convertible note	475,755	-	-	-	-
Gain on settlement of litigation	(120,125)	-	-	-	-
Loss on settlement of debt	-	1,335,935	402,264	1,465,465	-
Impairment loss on exploration and evaluation	-	1,315,276	2,690,568	-	-
Impairment loss on property and equipment	-	-	168,954	50,774	48,249
Impairment loss on marketable securities	-	-	1	-	-
Compensation expense on re-pricing of units	-	-	-	188,625	-
Gain on disposal of marketable securities	-	-	-	-	(8,000)
	(2,014,388)	6,180,001	4,2964,895	2,848,406	487,843
Net income (loss) from continuing operations	2,067,443	(6,114,977)	(4,264,833)	(2,809,188)	(430,927)
Net loss from discontinued operations net of tax	(4,4762,461)	(608)	(1,213)	-	-
Net loss	(2,695,018)	(6,115,585)	(4,266,046)	(2,809,188)	(430,927)
Other comprehensive income (loss)					
Items that may be re-classified subsequently to statements of operations					
Unrealized loss on marketable securities	(110,525)	-	-	-	-
Foreign currency translation					
Continuing operations	-	(203,765)	313,228	(160)	(109,303)
Discontinued operations	(4,692)	3,800	892	-	-
Total other comprehensive income (loss)	(115,217)	(199,965)	314,120	(160)	(109,303)
Net Loss and Comprehensive loss	$ (2,810,235)	$ (6,315,550)	$ (3,951,926)	$ (2,809,348)	$ (540,230)
Income (loss) per share, basic					
Continuing operations	$ 0.075	$ (0.482)	$ (0.407)	$ (0.344)	$ (0.070)
Discontinued operations	$ (0.172)	$ (0.000)	$ (0.000)	$ (0.000)	$ (0.000)
Loss per share, basic	$ (0.097)	$ (0.482)	$ (0.407)	$ (0.344)	$ (0.070)
Income (loss) per share, diluted					
Continuing operations	$ 0.055	$ (0.482)	$ (0.407)	$ (0.344)	$ (0.070)
Discontinued operations	$ (0.172)	$ (0.000)	$ (0.000)	$ (0.000)	$ (0.000)
Loss per share, diluted	$ (0.117)	$ (0.482)	$ (0.407)	$ (0.344)	$ (0.070)
Weighted average shares outstanding, basic*	27,698,938	12,675,329	10,477,429	8,8,176,973	6,385,445
Weighted average shares outstanding, diluted*	37,555,135	12,675,329	10,477,429	8,8,176,973	6,385,445

*Reflects March 16, 2012 two-for-one stock split and the August 25, 2014 one-for-ten stock consolidation

Exchange Rate Information
The exchange rate between the Canadian dollar and the U.S. dollar was CDN$1.00 per US$0.664 (or US$1.00 per CDN$1.336) as at November 30, 2015.

The average exchange rates for the periods indicated below (based on the daily noon buying rate for cable transfers in New York City certified for customs purposes by the Federal Reserve Bank of New York) are as follows:

	YEARS ENDED AUGUST 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Average exchange rate CDN$ per US$1.00	0.7772	0.9214	0.9839	0.9925	0.9783
Average exchange rate US$ per CDN$1.00	1.2228	1.0786	1.0161	1.0075	1.0217

The high and low exchange rates between the Canadian dollar and the U.S. dollar for each of the six months ended November 30, 2015 are as follows:

	Exchange rate CDN$ per US$1.00	
Month	**Low**	**High**
November 2015	1.3093	1.3360
October 2015	1.2901	1.3242
September 2015	1.3146	1.3414
August 2015	1.2973	1.3301
July 2015	1.2551	1.3059
June 2015	1.2206	1.2547

B. CAPITALIZATION AND INDEBTEDNESS

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

D. RISK FACTORS

Our securities are highly speculative and subject to a number of risks. You should not consider an investment in our securities unless you are capable of sustaining an economic loss of the entire investment. In addition to the other information presented in this Annual Report, the following risk factors should be given special consideration when evaluating an investment in our securities.

General Risk Factors

We require additional capital which may not be available to us on acceptable terms, or at all. Both the exploration and development of oil and gas reserves can be capital-intensive businesses. We have accumulated significant losses and negative cash flows from operations in recent years which raises doubt as to the validity of the going concern assumption. As at August 31, 2015, we had a working capital deficiency of $3,233,160 and an accumulated deficit of $18,023,164. We do not have sufficient funds to meet our liabilities for the ensuing twelve months as they become due. In assessing whether the going concern assumption is appropriate, we take into account all available information about the future, which is at least, but not limited to, twelve months from August 31, 2015. Our ability to continue operations and fund our liabilities is dependent on our ability to secure additional financing and cash flow. We are pursuing such additional sources of financing and cash flow to fund our operations and obligations and while we have been successful in doing so in the past, there can be no assurance we will be able to do so in the future. We intend to satisfy any additional working capital requirements from cash flow and by raising capital through public or private sales of debt or equity securities, debt financing or short-term loans, or a combination of the foregoing. We have no current arrangements for obtaining additional capital, and may not be able to secure additional capital, or on terms which will not be objectionable to us or our shareholders. Under such circumstances, our failure or inability to obtain additional capital on acceptable terms or at all could have a material adverse effect on us.

We have a history of losses and a limited operating history as an oil and gas exploration and development company which makes it more difficult to evaluate our future prospects. To date, we have incurred significant losses. We have a limited operating history upon which any evaluation of us and our long-term prospects might be based. We are subject to the risks inherent in the oil and gas industry, as well as the more general risks inherent to the operation of an established business. We and our prospects must be considered in light of the risks, expenses and difficulties encountered by all companies engaged in the extremely volatile and competitive oil and gas markets. Any future success we might achieve will depend upon many factors, including factors, which may be beyond our control. These factors may include changes in technologies, price and product competition, developments and changes in the international oil and gas market, changes in our strategy, changes in expenses, fluctuations in foreign currency exchange rates, general economic conditions, and economic and regulatory conditions specific to the areas in which we compete. To address these risks, we must, among other things, comply with environmental regulations; expand our portfolio of proven oil and gas properties and negotiate additional working interests and prospect participations; and expand and replace depleting oil and gas reserves.

We have pending litigation which could have a material effect on our financial condition or profitability. In February 2013, a vendor of Dyami Energy applied a lien on the Murphy #4 well and filed a claim in the District Court of Zavala County, Texas (Case No. 13-02-12941-ZCV) seeking payment of US$169,196 for services. Dyami Energy was disputing the amount on the basis of negligence by the vendor. On January 28, 2014 the vendor received a summary judgment against Dyami Energy in the amount of $169,196 plus interest at a rate of 18% per annum from September 17, 2012 until paid and legal fees of $21,178 plus interest at a rate of 5% per annum from the date of judgment until paid. During 2013 full amount of the provision had been recorded together with legal fees and interest. The provision, legal fees and interest were transferred to trade and other payables. In addition, in December 2011, a vendor of Dyami Energy filed a claim in the District Court of Harris County, (Case No. 2011-74035/Court: 113) seeking payment of US$62,800. Dyami Energy disputed the claim on the basis of excessive charges. In December 2013 an agreed final judgment in favor of the vendor was entered into court in the amount of $42,803 and post judgment interest at 5% per annum until paid in full. The provision was transferred to trade and other payables (See - *Item 8.A "Consolidated Financial Statements and Other Financial Information – Litigation"*).

We have significant trade and other payables, loans payable and shareholder loans payable which may make it difficult to service our debts, and adversely affects our ability to obtain additional financing, engage in any business combinations which affects our operations. At August 31, 2015 we had trade and other payables in the amount of $1,630,809, 10% per annum loans payable on demand in the amount of $1,063,105 and a 10% per annum shareholder loans payable in the amount of $339,588.

If in the future we are unable to service our debt obligations we may, among other things, need to refinance all or a portion of our debt at an increased borrowing cost, obtain additional financing, delay capital expenditures or sell material assets. If we are not able to re-finance our debt as necessary, obtain additional financing or sell assets on commercially acceptable terms or at all, we may not be able to satisfy our debt obligations. In the event that shareholder loans or notes become payable on demand we may not have sufficient funds to re-pay all of the debt.

We have significant debt which may make it more difficult for us to obtain future financing or engage in business combination transactions. We have significant debt obligations. The degree to which this indebtedness could have consequences on our future prospects includes the effect of such debts on our ability to obtain financing for working capital, capital expenditures or acquisitions. The portion of available cash flow that will need to be dedicated to repayment of indebtedness will reduce funds available for expansion. If we are unable to meet our debt obligations through cash flow from operations, we may be required to refinance or adopt alternative strategies to reduce or delay capital expenditures, or seek additional equity capital.

Our future operating results are subject to fluctuation based upon factors outside of our control. Our operating results may in the future fluctuate significantly depending upon a number of factors including industry conditions, oil and gas prices, rate of drilling success, rates of production from completed wells and the timing of capital expenditures. Such variability could have a material adverse effect on our business, financial condition and results of operations. In addition, any failure or delay in the realization of expected cash flows from operating activities could limit our future ability to participate in exploration or to participate in economically attractive oil and gas projects.

Our operating results will be affected by foreign exchange rates. Since energy commodity prices are primarily priced in US dollars, a portion of our revenue stream and a portion of our expenses are incurred in US dollars and they are affected by U.S./Canadian dollar exchange rates. We do not hedge this exposure. While to date this exposure has not been material, it may become so in the future.

Our inability to manage our expected growth could have a material adverse effect on our business operations and prospects. We may be subject to growth-related risks including capacity constraints and pressure on our internal systems and controls. The ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expend, train and manage our employee base. The inability to deal with this growth could have a material adverse impact on our business, operations and prospects.

To compete in our industry, we must attract and retain qualified personnel. Our ability to continue our business and to develop a competitive edge in the marketplace depends, in large part, on our ability to attract and retain qualified management and personnel. Competition for such personnel is intense, and we may not be able to attract and retain such personnel which may negatively impact our share price. We do not have key-man insurance on any of our employees, directors or senior officers and we do not have written employment agreements with any of our employees, directors or senior officers.

We must continue to institute procedures designed to avoid potential conflicts involving our officers and directors. Some of our directors and officers are or may serve on the board of directors of other companies from time to time. Pursuant to the provisions of the Business Corporations Act (*Ontario*), our directors and senior officers must disclose material interests in any contract or transaction (or proposed contract or transaction) material to us. To avoid the possibility of conflicts of interest which may arise out of their fiduciary responsibilities to each of the boards, all such directors have agreed to abstain from voting with respect to a conflict of interest between the applicable companies. In appropriate cases, we will establish a special committee of independent directors to review a matter in which several directors, or members of management, may have a conflict.

We rely on the expertise of certain persons and must insure that these relationships are developed and maintained. We are dependent on the advice and project management skills of various consultants and joint venture partners contracted by us from time to time. Our failure to develop and maintain relationships with qualified consultants and joint venture partners will have a material adverse effect on our business and operating results.

We must indemnify our officers and directors against certain actions. Our articles contain provisions that state, subject to applicable law, we must indemnify every director or officer, subject to the limitations of the Business Corporations Act (*Ontario*), against all losses or liabilities that our directors or officers may sustain or incur in the execution of their duties. Our articles further state that no director or officer will be liable for any loss, damage or misfortune that may happen to, or be incurred by us in the execution of his duties if he acted honestly and in good faith with a view to our best interests. Such limitations on liability may reduce the likelihood of litigation against our officers and directors and may discourage or deter our shareholders from suing our officers and directors based upon breaches of their duties to us, though such an action, if successful, might otherwise benefit us and our shareholders.

We do not currently maintain a permanent place of business within the United States. A majority of our directors and officers are nationals or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against our company or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof.

The global financial crisis is expected to cause petroleum and natural gas prices to remain volatile for the near future. Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility to commodity prices. These conditions may be continuing, contributing to a loss of confidence in the broader U.S. and global credit and financial markets and which could result in the collapse of, and government intervention in, major banks, financial institutions and insurers and create a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively impacted company valuations and will impact the performance of the global economy going forward. Petroleum and natural gas prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, OPEC actions and the ongoing global credit and liquidity concerns.

Since our sole executive officer does not devote his full time to the performance of his Company duties, he may engage in other work activities to our detriment. James Cassina, our sole executive officer, devotes approximately 85% of his work time to the performance of his Company duties. Although he has an obligation to perform his duties in a manner consistent with our best interests and through his stock ownership in the Company, is incentivized to do so, may encounter conflicts regarding the availability and use of his work time. Although there are no such present conflicts, the development thereof could have a material adverse effect on us.

Risks Factors Relating to Our Common Stock

Our stockholders may have difficulty selling shares of our common stock as there is a limited public trading market for such stock. There is only a limited public market for our common stock, and no assurance can be given that a broad or active public trading market will develop in the future or, if developed, that it will be sustained. Our common stock trades on the OTC Markets QB. In addition, our common stock has not been qualified under any applicable state blue-sky laws, and we are under no obligation to so qualify or register our common stock, or otherwise take action to improve the public market for such securities. Our common stock could have limited marketability due to the following factors, each of which could impair the timing, value and market for such securities: (i) lack of profits, (ii) need for additional capital, (ii) limited public market for such securities; (iii) the applicability of certain resale requirements under the Securities Act; and (iv) applicable blue sky laws and the other factors discussed in this Risk Factors section.

Possible volatility of stock price. The market price for our common stock may be volatile and is subject to significant fluctuations in response to a variety of factors, including the liquidity of the market for the common stock, variations in our quarterly operating results, regulatory or other changes in the oil and gas industry generally, announcements of business developments by us or our competitors, litigation, changes in operating costs and variations in general market conditions. Because we have a limited operating history, the market price for our common stock may be more volatile than that of a seasoned issuer. Changes in the market price of our securities may have no connection with our operating results. No predictions or projections can be made as to what the prevailing market price for our common stock will be at any time.

We do not anticipate paying dividends on our common stock. We presently plan to retain all available funds for use in our business, and therefore do not plan to pay any cash dividends with respect to our securities in the foreseeable future. Hence, investors in our common stock should not expect to receive any distribution of cash dividends with respect to such securities for the foreseeable future.

Our shareholders may experience dilution of their ownership interests because of our future issuance of additional shares of common stock. Our constating documents authorize the issuance of an unlimited number of shares of common stock, without par value. In the event that we are required to issue additional shares of common stock or securities exercisable for or convertible into additional shares of common stock, enter into private placements to raise financing through the sale of equity securities or acquire additional oil and gas property interests in the future from the issuance of shares of our common stock to acquire such interests, the interests of our existing shareholders will be diluted and existing shareholders may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we do issue additional shares, it will cause a reduction in the proportionate ownership and voting power of all existing shareholders. As of the date of this Annual report we had outstanding the following common share purchase warrants: 7,378,560 warrants exercisable at $0.10 per share. If any of these common share purchase warrants are exercised it would generate additional capital for us. As of the date of this Annual report we had the following share purchase options outstanding; 100,000 exercisable at $1.60 per share and 1,000,000 exercisable at $0.12 per share. (*See Item 5: "Operating and Financial Review and Prospects – Share Capital and Reserves and Derivative Liabilities" and Item 4.A "History and Development of the Company"*).

Prospective investors in our Company are urged to seek independent investment advice. Independent legal, accounting or business advisors (i) have not been appointed by, and have not represented or held themselves out as representing the interests of prospective investors in connection with this Annual Report, and (ii) have not "expertized" or held themselves out as "expertizing" any portion of this Annual Report, nor is our legal counsel providing any opinion in connection with us, our business or the completeness or accuracy of this Annual Report. Neither we nor any of our respective officers, directors, employees or agents, including legal counsel, make any representation or expresses any opinion (i) with respect to the merits of an investment in our common stock, including without limitation the proposed value of our common stock; or (ii) that this Annual Report provides a complete or exhaustive description of us, our business or relevant risk factors which an investor may now or in the future deem pertinent in making his, her or its investment decision. Any prospective investor in our common stock is therefore urged to engage independent accountants, appraisers, attorneys and other advisors to (a) conduct such due diligence review as such investor may deem necessary and advisable, and (b) to provide such opinions with respect to the merits of an investment in our Company and applicable risk factors upon which such investor may deem necessary and advisable to rely. We will fully cooperate with any investor who desires to conduct such an independent analysis so long as we determine, in our sole discretion, that such cooperation is not unduly burdensome.

Applicable SEC rules governing the trading of "penny stocks" will limit the trading and liquidity of our common stock and may affect the trade price for our common stock. The Securities and Exchange Commission ("SEC") has adopted rules which generally define "penny stock" to be any equity security that has a market price (as defined) of less than US$5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities will be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of US$5,000,000 or individuals with a net worth in excess of US$1,000,000 or annual income exceeding US$200,000 or US$300,000 jointly with their spouse.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the shares that are subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We expect that the penny stock rules will discourage investor interest in and limit the marketability of our common shares.

In addition to the "penny stock" rules described above, The Financial Industry Regulatory Authority ("FINRA") has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements will make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit your ability to buy and sell our shares and have an adverse effect on the market for our shares.

Risks Factors Relating to Our Business

Our future success is dependent upon our ability to locate, obtain and develop commercially viable oil and gas deposits. Our future success is dependent upon our ability to economically locate commercially viable oil and gas deposits. We may not be able to consistently identify viable prospects, and such prospects, if identified, may not be commercially exploitable. Our inability to consistently identify and exploit commercially viable hydrocarbon deposits would have a material and adverse effect on our business and financial position.

Exploratory drilling activities are subject to substantial risks. Our expected revenues and cash flows will be principally dependent upon the success of any drilling and production from prospects in which we participate. The success of such prospects will be determined by the economical location, development and production of commercial quantities of hydrocarbons. Exploratory drilling is subject to numerous risks, including the risk that no commercially productive oil and gas reservoirs will be encountered. The cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including unexpected formation and drilling conditions, pressure or other irregularities in formations, blowouts, equipment failures or accidents, as well as weather conditions, compliance with governmental requirements or shortages or delays in the delivery of equipment. Our inability to successfully locate and drill wells that will economically produce commercial quantities of oil and gas could have a material adverse effect on our business and, financial position.

Our drilling and exploration plans will be subject to factors beyond our control. A prospect is a property that has been identified based on available geological and geophysical information that indicates the potential for hydrocarbons. Whether we ultimately drill a property may depend on a number of factors including funding; the receipt of additional seismic data or reprocessing of existing data; material changes in oil or gas prices; the costs and availability of drilling equipment; the success or failure of wells drilled in similar formations or which would use the same production facilities; changes in estimates of costs to drill or complete wells; our ability to attract industry partners to acquire a portion of our working interest to reduce exposure to drilling and completion costs; decisions of our joint working interest owners; and restrictions under provincial or state regulators.

Our operating results are subject to oil and natural gas price volatility. Our profitability, cash flow and future growth will be affected by changes in prevailing oil and gas prices. Oil and gas prices have been subject to wide fluctuations in recent years in response to changes in the supply and demand for oil and natural gas, market uncertainty, competition, regulatory developments and other factors which are beyond our control. It is impossible to predict future oil and natural gas price movements with any certainty. We do not engage in hedging activities. As a result, we may be more adversely affected by fluctuations in oil and gas prices than other industry participants that do engage in such activities. An extended or substantial decline in oil and gas prices would have a material adverse effect on our access to capital, and our financial position and results of operations.

Unforeseen title defects may result in a loss of entitlement to production and reserves. Although we conduct title reviews in accordance with industry practice prior to any purchase of resource assets, such reviews do not guarantee that an unforeseen defect in the chain on title will not arise and defeat our title to the purchased assets. If such a defect were to occur, our entitlement to the production from such purchased assets could be jeopardized.

Estimates of reserves and predictions of future events are subject to uncertainties. Certain statements included in this Annual Report contain estimates of our oil and gas reserves and the discounted future net revenues from those reserves, as prepared by independent petroleum engineers or us. There are numerous uncertainties inherent in such estimates including many factors beyond our control. The estimates are based on a number of assumptions including constant oil and gas prices, and assumptions regarding future production, revenues, taxes, operating expenses, development expenditures and quantities of recoverable oil and gas reserves. Such estimates are inherently imprecise indications of future net revenues, and actual results might vary substantially from the estimates based on these assumptions. Any significant variance in these assumptions could materially affect the estimated quantity and value of reserves. In addition, our reserves might be subject to revisions based upon future production, results of future exploration and development, prevailing oil and gas prices and other factors. Moreover, estimates of the economically recoverable oil and gas reserves, classifications of such reserves and estimates of future net cash flows prepared by independent engineers at different times may vary substantially. Information about reserves constitutes forward-looking statements.

The success of our business is dependent upon our ability to replace reserves. Our future success depends upon our ability to find, develop and acquire oil and gas reserves that are economically recoverable. As a result we must locate, acquire and develop new oil and gas reserves to replace those, if any, being depleted by production. Without successful funding for acquisitions and exploration and development activities, our resources will decline. We may not be able to find and develop or acquire additional resources at an acceptable cost.

Most of our competitors have substantially greater financial, technical, sales, marketing and other resources than we do. We engage in the exploration for and production of oil and gas, industries which are highly competitive. We compete directly and indirectly with oil and gas companies in our exploration for and development of desirable oil and gas properties. Many companies and individuals are engaged in the business of acquiring interests in and developing oil and gas properties in the United States and Canada, and the industry is not dominated by any single competitor or a small number of competitors. Many of such competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater historical market acceptance than we do. We will compete with numerous industry participants for the acquisition of land and rights to prospects, and for the equipment and labor required to operate and develop such prospects. Competition could materially and adversely affect our business, operating results and financial condition. Such competitive disadvantages could adversely affect our ability to participate in projects with favorable rates of return.

Shortages of supplies and equipment could delay our operations and result in higher operating and capital costs. Our ability to conduct operations in a timely and cost effective manner is subject to the availability of natural gas and crude oil field supplies, rigs, equipment and service crews. Although none are expected currently, any shortage of certain types of supplies and equipment could result in delays in our operations as well as in higher operating and capital costs.

Our business is subject to interruption from severe weather. Presently, our operations are conducted principally in the central region of Alberta, Canada and in Southwest Texas. The weather in these areas and other areas in which we may operate in the future can be extreme and can cause interruption or delays in our drilling and construction operations.

We are dependent on third-party pipelines and would experience a material adverse effect on our operations were our access to such pipelines be curtailed or the rates charged for use thereof materially increased. Substantially all our sales of natural gas production are effected through deliveries to local third-party gathering systems to processing plants. In addition, we rely on access to inter-provincial pipelines for the sale and distribution of substantially all of our gas. As a result, a curtailment of our sale of natural gas by pipelines or by third-party gathering systems, an impairment of our ability to transport natural gas on inter-provincial pipelines or a material increase in the rates charged to us for the transportation of natural gas by reason of a change in government regulations or for any other reason, could have a material adverse effect upon us. In such event, we would have to obtain other transportation arrangements. We may not have economical transportation alternatives and it may not be feasible for us to construct pipelines. In the event such circumstances were to occur, our operating netbacks from the affected wells would be suspended until, and if, such circumstances could be resolved.

Our business is subject to operating hazards and uninsured risks. The oil and gas business involves a variety of operating risks, including fire, explosion, pipe failure, casing collapse, abnormally pressured formations, adverse weather conditions, governmental and political actions, premature reservoir declines, and environmental hazards such as oil spills, gas leaks and discharges of toxic gases. The occurrence of any of these events with respect to any property operated or owned (in whole or in part) by us could have a material adverse impact on us. Insurance coverage is not always economically feasible and is not obtained to cover all types of operational risks. The occurrence of a significant event that is not insured or insured fully could have a material adverse effect on our financial condition.

Our business is subject to restoration, safety and environmental risk. Our present operations are primarily in western Canada and certain laws and regulations exist that require companies engaged in petroleum activities to obtain necessary safety and environmental permits to operate. Such legislation may restrict or delay us from conducting operations in certain geographical areas. Further, such laws and regulations may impose liabilities on us for remedial and clean-up costs, or for personal injuries related to safety and environmental damages, such liabilities collectively referred to as "decommissioning obligations". While our safety and environmental activities have been prudent in managing such risks, we may not always be successful in protecting us from the impact of all such risks.

The termination or expiration of any of our licenses and leases may have a material adverse effect on our results of operations. Our properties are held in the form of licenses and leases and working interests in licenses and leases. If we, or the holder of the license or lease, fail to meet the specific requirement of a license or lease, the license or lease may terminate or expire. We may not meet the obligations required to maintain each license or lease. The termination or expiration of our licenses or leases or the working interests relating to a license or lease may have a material adverse effect on our results of operations and business (See *Item 4.B: "Information on the Company – History and Development of the Company").*

Compliance with new or modified environmental laws or regulations could have a materially adverse impact on us. We are subject to various Canadian and US laws and regulations relating to the environment. We believe that we are currently in compliance with such laws and regulations. However, such laws and regulations may change in the future in a manner which will increase the burden and cost of compliance. In addition, we could incur significant liability under such laws for damages, clean-up costs and penalties in the event of certain discharges into the environment. In addition, environmental laws and regulations may impose liability on us for personal injuries, clean-up costs, environmental damage and property damage as well as administrative, civil and criminal penalties. We do not maintain insurance for the full potential liability that could be caused by such environmental damage. Accordingly, we may be subject to significant liability, or may be required to cease production in the event of the noted liabilities.

ITEM 4 INFORMATION ON THE COMPANY

We are amalgamated under the laws of the Province of Ontario. Our primary activities are investment in, exploration and development and production of oil and gas.

We hold a 0.5% non-convertible gross overriding royalty in a natural gas well located in the Haynes area in the Province of Alberta, Canada carried on the consolidated statement of financial position at Nil.

We hold a 5.1975% working interest held in trust through a joint venture partner in a natural gas unit located in the Botha area in the Province of Alberta, Canada carried on the consolidated statement of financial position at Nil.

Our registered office and management office is located at 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1, Telephone (416) 364-4039, Facsimile (416) 364-8244. Our books and financial records are located in the registered office and management office. Our Canadian public filings can be accessed and viewed via the System for Electronic Data Analysis and Retrieval ("SEDAR") at www.sedar.com. Readers can also access and view our Canadian public insider trading reports via the System for Electronic Disclosure by Insiders at www.sedi.ca. Our Registrar and Transfer Agent is Equity Financial Trust Company located at Suite 400, 200 University Avenue, Toronto, Ontario, M5H 4H1. Our U.S. public filings are available at the public reference room of the U.S. Securities and Exchange Commission ("SEC") located at 100 F Street, N.E., Room 1580, Washington, DC 20549 and at the website maintained by the SEC at www.sec.gov.

A. HISTORY AND DEVELOPMENT OF THE COMPANY

We were incorporated in Ontario, Canada on September 22, 1978, under the Business Corporations Act (*Ontario*), under the name Bonanza Red Lake Explorations Inc. ("Bonanza Red Lake"). By prospectus dated November 20, 1978 and a further amendment to the Prospectus dated January 10, 1979 we became a reporting issuer in the Province of Ontario and raised $250,000 to acquire interests in and to explore and develop certain mineral lands located near the Town of Red Lake, Ontario, Canada. In 1987, we optioned our mineral lands in Red Lake, Ontario to Pure Gold Resources Inc., who expended sufficient funds during 1988 and 1989 to earn an 85% interest in our eight patented mineral claims, and then discontinued its exploration program on the property. Bonanza Red Lake had subsequently written the carrying amount of these mineral claims down to $1.

On March 29, 2000, Bonanza Red Lake entered into a Share Exchange Agreement with 1406768 Ontario Inc. ("1406768 Ontario"). 1406768 Ontario is a company incorporated under the laws of the Province of Ontario by articles of incorporation dated effective March 13, 2000. The purpose of the transaction was to allow Bonanza Red Lake to acquire a company, 1406768 Ontario, which resulted in our owning part of an operating business. At an Annual and Special Meeting of shareholders held on May 10, 2000 we received shareholder approval for the acquisition of 1406768 Ontario; the consolidation of Bonanza Red Lake's issued and outstanding common shares on a one new common share for every three old common shares basis; a name change from Bonanza Red Lake to Eugenic Corp; a new stock option plan (the "Plan") authorizing 1,275,000 common shares to be set aside for issuance under the Plan; and authorizing the directors to determine or vary the number of directors of the Company from time to time which pursuant to our Articles provide for a minimum of three and a maximum of ten.

By Articles of Amendment dated August 15, 2000, Bonanza Red Lake consolidated its issued and outstanding common shares on a one new common share for every three old common shares basis and changed the name of the company to Eugenic Corp.

We completed the acquisition of 1406768 Ontario on October 12, 2000 and acquired all of the issued and outstanding shares of 1406768 Ontario for $290,000. The purchase price was satisfied by our issuance of 5,800,000 company units at $0.05 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one common share of ours at an exercise price of $0.25 per common share until October 12, 2003. As a result of this transaction, the original shareholders of 1406768 Ontario owned 90.7% of our issued shares. The acquisition resulted in a change in business and an introduction of new management for us. The acquisition was accounted for as a reverse take-over of us by 1406768 Ontario. Our net assets acquired at fair value as at October 12, 2000 resulted in a deficiency of assets over liabilities in the amount of $123,170 which was charged to share capital. All of the 5,800,000 outstanding warrants expired on October 12, 2003.

On February 5, 2009, we completed a non-brokered private placement of 2,600,000 units (each a "Unit") at a purchase price of $0.05 per Unit for gross proceeds of $130,000. Each Unit was comprised of one common share (each a "Unit Share") and one purchase warrant (each a "Warrant"). Each Warrant was exercisable until February 5, 2014 to purchase one additional share of our common stock (each a "Warrant Share") at a purchase price of $0.07 per share. 1407271 Ontario Inc. purchased 1,600,000 units. 1407271 Ontario Inc. is owned 100% by our former President, Ms. Sandra Hall. Ms. Hall is also the sole director and officer of 1407271.

On February 25, 2009, we completed a non-brokered private placement of 1,000,256 units (each a “Unit”) at a purchase price of $0.05 per Unit for gross proceeds of approximately $50,013. Each Unit was comprised of one common share (each a “Unit Share”) and one purchase warrant (each a “Warrant”). Each Warrant was exercisable until February 25, 2014 to purchase one additional share of our common stock (each a “Warrant Share”) at a purchase price of $0.07 per share. Sandra Hall, our former president and former director, and Milton Klyman, a director, purchased 600,000 Units and 50,000 Units, respectively.

On February 27, 2009, we purchased all of the issued and outstanding shares issued in the capital stock of 1354166 Alberta Ltd. (“1354166 Alberta”), a company incorporated on October 3, 2007 in the Province of Alberta Canada (the "Transaction") under the Business Corporations Act (Alberta). In connection therewith, we issued to the shareholders of 1354166 an aggregate of 8,910,564 units (each a "Unit") at $0.05 per unit or an aggregate of $445,528 and following the closing repaid $118,000 of shareholders’ loans in 1354166 by cash payment. . Each unit was comprised of one share of our common stock (each a "Share") and one purchase warrant (each a "Warrant"). Each Warrant was exercisable until February 27, 2014 to purchase one additional share of our common stock at a purchase price of $0.07 per share. 1354166 is a private company that has a 5.1975% working interest held in trust through a joint venture partner in a natural gas unit located in the Botha area of Alberta, Canada.

On February 27, 2009, we entered into an agreement with a non-related party, to convert debt in the amount of $62,500 through the issuance of a total of 1,250,000 units at an attributed value of $0.05 per unit (the "Debt Settlement"). Each Unit was comprised of one common share (each a “Unit Share”) and one purchase warrant (each a “Warrant”). Each Warrant was exercisable until February 27, 2014 to purchase one additional share of our common stock (each a “Warrant Share”) at a purchase price of $0.07 per share.

By Articles of Amendment dated November 12, 2009, 1406768 Ontario changed its name to Eagleford Energy Inc. By Articles of Amalgamation dated November 30, 2009 we amalgamated with Eagleford Energy Inc. and upon the amalgamation the amalgamated entity's name became Eagleford Energy Inc.

Effective June 10, 2010, we retained Gar Wood Securities, LLC (“Gar Wood”) to act as Investment Banker/Financial Advisor to the Company for a period of two years. Under the terms of the Gar Wood engagement, we agreed to pay a fee of 6% of the gross proceeds raised and issue 1,500,000 common share purchase warrants. On November 5, 2010 we terminated the agreement with Gar Wood dated June 10, 2010. As a result 36,430 warrants were cancelled out of the 333,333 warrants issued exercisable at $1.00 expiring December 10, 2011 and 18,215 warrants were cancelled out of the 166,667 warrants issued exercisable at $1.50 expiring June 10, 2012. On December 10, 2011 296,903 warrants exercisable at US $1.00 expired. During the year ended August 31, 2012 all of the remaining warrants expired unexercised.

During the fiscal year ended August 31, 2010, 1,100,000 of our common share purchase warrants were exercised at $0.07 expiring February 5, 2014 for proceeds of $77,000 and 1,000,000 of our common share purchase warrants were exercised at $0.07 expiring February 27, 2014 for proceeds of $70,000.

On August 31, 2010 we acquired a 10% working interest before payout and a 7.5% working interest after payout of production revenue of $15 million in the Matthews lease comprising approximately 2,629 gross acres of land in Zavala County, Texas (the “Lease Interest”). As consideration for the Lease Interest we paid on closing $212,780 (US$200,000), satisfied by US$25,000 in cash and $186,183 (US$175,000) satisfied by the issuance of a 5% secured promissory note.US$100,000 of principal together with accrued interest was due and payable on February 28, 2011(paid) and US$75,000 of principal together with accrued interest was due and payable on August 31, 2011 (paid). The note was secured by the Lease Interest.

On August 31, 2010, we acquired 100% of the issued and outstanding membership interests of Dyami Energy LLC, a Texas limited liability corporation for consideration of $4,218,812. (US$3,965,422) satisfied by (i) the issuance of 3,418,467 units of the Company. Each unit is comprised of one common share and one-half a purchase warrant. Each full warrant was exercisable into one additional common share at US$1.00 per share on or before August 31, 2014 (the “Units’) and (ii) the assumption of $1,021,344 (US$960,000) of Dyami Energy debt by way of a secured promissory note payable to Benchmark Enterprises LLC (“Benchmark”). The 6% per annum note was secured by Dyami’s interest in the Matthews and Murphy leases and was payable on December 31, 2011 or upon the Company closing a financing or series of financings in excess of US$4,500,000. Commencing January 1, 2012 the interest rate increased from 6% to 10% and the due date of the note was extended to August 31, 2013, or within 15 days of written demand to us, or upon us closing of a cash financing or series of cash financings closing after the date of this agreement in excess of US$2,500,000 (Two Million, Five Hundred Thousand USA dollars), (the “Funding Threshold”) in which case fifty cents of every one dollar exceeding the Funding Threshold will be allocated to the Note until paid in full or upon an Event of Default. On January 3, 2012 we issued 515,406 pre forward split common shares to shares Benchmark as full settlement of interest due at December 31, 2011 in the amount of $103,028.

Dyami Energy held a 75% working interest before payout and a 61.50% working interest after payout of production revenue of $12.5 million in the Matthews Lease comprising approximately 2,629 gross acres of land in Zavala County, Texas and a 100% working interest in a mineral lease comprising approximately 2,637 acres of land in Zavala County, Texas (the "Murphy Lease") subject to a 10% carried interest on the drilling costs from surface to base of the Austin Chalk formation, and a 3% carried interest on the drilling costs from the top of the Eagle Ford shale formation to basement on the first well drilled into a serpentine plug and for the first well drilled into a second serpentine plug, if discovered (collectively the "Leases") (See *Item 4.B: "Information on the Company – History and Development of the Company").*

The Members of Dyami entered into lock up agreements on closing and placed 50% of the Units in escrow (1,709,234 common shares and 854,617 purchase warrants) until such time that we receive a National Instrument 51-101 compliant report from an independent engineering firm indicating at least 100,000 boe of proven reserves on either the Murphy Lease or any formation below the San Miguel on the Matthews Lease (the "Report"). The Report was not received by Dyami Energy within two years of the closing date of the acquisition andthe escrow units were to be returned to us for cancellation. On August 31, 2012 we cancelled the 50% of Units held in escrow as the conditions precedent had not been satisfied and the time allowed for performance expired.

In connection with the Dyami Energy acquisition, we entered into a one year employment agreement with Eric Johnson and reserved 850,000 common share purchase warrants, exercisable on an earn-out basis, for the purchase of 850,000 common shares of our stock at a price of US$1.00 per share during a period of five years from the date of issuance. On April 13, 2011 the employment agreement was terminated and no warrants were issued or issuable

During the fiscal year ended August 31, 2010 we spent $10,046 on exploration expenditures related to the Matthews Lease.

On March 31, 2011 we entered into a Farmout Agreement (the "Farmout") from surface to the base of the San Miguel formation (the "San Miguel") on the Matthews Lease located in Zavala County, Texas. Under the Farmout, the farmee may spend up to US$1,050,000 on exploration and development of the San Miguel to earn a maximum of 42.50% working interest (31.875% net revenue interest). Under the terms of the Farmout, the farmee may earn an initial 25% of the Company's working interest in the San Miguel by paying 100% of the costs to drill, complete, equip and perform an injection operation on a test well to a depth of approximately 3,500 feet (the "Initial Test Well"). After the performance of the Initial Test Well, the farmee may increase its working interest to 50% of the Company's working interest by spending the entire $1,050,000 on additional operations on the San Miguel in a good faith effort to produce hydrocarbons. We received US$647,536 from the farmee against costs of $711,395 related to the drilling, completion and injection operation of the Matthews/Dyami #3 well. As of the date of this Annual Report we have not assigned any interest to the farmee in the San Miguel formation.

During the fiscal year ended August 31, 2011 we drilled four wells and recorded additions of $3,262,782 to exploration and evaluation assets related to the Matthews and Murphy Leases.

During the year ended August 31, 2011, 500,000 of our common share purchase warrants were exercised at $0.07 expiring February 5, 2014 for proceeds of $35,000; 625,247 of our common share purchase warrants were exercised at $0.07 expiring February 27, 2014 for proceeds of $44,475; and 2,575,000 of our common share purchase warrants were exercised at $0.20 expiring April 14, 2011 for proceeds of $515,000.

During the year ended August 31, 2011 we received $2,878,736 and issued demand promissory notes bearing interest at 10% per annum. Interest is payable annually on the anniversary date of the notes.

During the year ended August 31, 2011 we paid $110,000 loan payable.

As of the close of business on March 16, 2012, we completed a two-for-one forward stock split, pursuant to which one (1) newly-issued share of the Company's common stock was issued to each holder of a share of common stock.

During the year ended August 31, 2012 we completed a financing of 12,575,000 units in the capital of the Company for net proceeds of $2,086,718.

During the year ended August 31, 2012, we issued 17,150,000 units as full settlement of debt and shareholders' loans in the amount of $857,500 and issued 3,278,392 common shares as full settlement of interest due on a secured note and shareholders' loans in the amount of $369,885.

During the year ended August 31, 2012, we received cash of $321,845 and US$175,000 and issued demand promissory notes bearing interest at 10% per annum.

During the twelve months ended August 31, 2012, we paid US$480,000 of shareholders' loans.

For the twelve months ended August 31, 2012, we recorded additions of $1,559,763 to exploration and evaluation assets related to the leases in Zavala County, Texas.

During the year ended August 31, 2013 we completed a financing of 2,249,790 units in the capital of our Company for net proceeds of $405,650. Each unit is comprised of one common share and one-half of one common share purchase warrant with each full warrant entitling the holder to acquire one common share of ours at US$0.50 or a period of three years from the date of issue.

During the year ended August 31, 2013, we issued 23,662,569 common shares as full settlement of shareholder loans and interest due on shareholders' loans of $198,333 and $345,906 respectively.

For the twelve months ended August 31, 2013, we recorded additions of $404,818 to exploration and evaluation assets related to the leases in Zavala County, Texas and an impairment of $2,690,568 on the Murphy Lease.

Subsequent to September 1, 2013 and the continuing development of the Matthews lease, Dyami Energy continued its development efforts with the Murphy lease. A tentative joint venture agreement with Stratex was reached but did not materialize and efforts to develop the Murphy lease were not successful. The Company had solicited lenders and investors in an attempt to obtain debt/equity financings as a means to improve Dyami Energy's financial situation. Despite the Company's attempts, these efforts were unsuccessful and management determined that it could no longer fund the Murphy operations, hence the lease was considered impaired and an impairment loss was recorded by Dyami Energy during the third quarter.

On March 6, 2014, the Company filed a Certificate of Termination of a Domestic Entity with the Secretary of State, Texas for our wholly-owned subsidiary Dyami Energy and effective April 3, 2014, Dyami Energy was dissolved. All prior obligations with respect to the Matthew's and Murphy leases on the books of Dyami Energy prior to its dissolution were recorded by the Company.

During the year ended August 31, 2013, the Company, Dyami Energy and OGR Energy Corporation, the Lessees, were litigating a dispute with the Lessors of the Matthew's property. During the last quarter of fiscal year August 2013, the Company and the Lessors agreed to resolve the litigation and continue with the development of the Matthew's property. In order to comply with certain State legal requirements, it was deemed necessary by the Lessors counsel to continue with the development through a newly executed lease document and the Company formed, Zavala Inc. a new wholly owned subsidiary to execute the new lease. The new lease was signed effective September 1, 2013 and the first of two payments of US$150,000 were paid to the Lessors upon signing the new lease as required initial pre-payment of anticipated production royalties along with a continuing development obligation under the lease to complete the previously drilled Matthews #1H horizontal well or drill a new well on the Matthews property no later than March 30, 2014. On September 1, 2013, the Matthews lease was renewed by the Company through Zavala Inc. and based on the concept of faithful representation under IAS 8, the carrying value of the Matthew's lease by Dyami Energy was considered to be the value for Zavala Inc. as this arrangement is simply a reorganization in substance.

On December 3, 2013, (amended January 21, 2014) we had entered into a Joint Development Agreement with Stratex Oil and Gas Holdings, Inc. ("Stratex") (the "Stratex JDA") to further develop the Matthews Lease. Under the terms of the Stratex JDA, Stratex acted as operator and upon Stratex delivering i) US$150,000 to the lessors of the Matthews Lease on behalf of Zavala Inc., ii) delivering US $150,000 to the Company; and iii) commencing a hydraulic fracture of the Matthews #1H not later than March 31, 2014, Stratex earned a 66.67% working interest before payout (50% working interest after payout) in the Matthews #1H well and a 50% working interest in the 2,629 acre Matthews Lease.

On April 11, 2014, the Company entered into a further Joint Development Agreement ("JDA2") with Stratex and Quadrant Resources LLC, ("Quadrant") for the development of the San Miguel formation on the Matthews Lease. Pursuant to the terms of the JDA2, upon satisfaction of certain conditions including the Phase 1 Work Program and the cash consideration described below, Quadrant could earn an undivided 66.67% before payout and a 50% working interest after payout to the base of the San Miguel formation of the Matthews Lease by i) drilling 3 new wells and reworking 5 wells at its sole cost and expense by June 30, 2015 (the "Phase I Work Program"); ii) deliver US$100,000 to the Company upon execution of the JDA2 (paid); and iii) deliver US$65,000 to the Company on each of July 8, 2014, October 6, 2014, January 5, 2015 and April 6, 2015. The Company recorded the cash payments and the payment of certain obligations under the Matthews Lease by Quadrant totaling US$303,712 (CDN$378,577) as a reduction in exploration and evaluation assets. Under the terms of the JDA2 Quadrant was required to complete the Phase I Work Program and pay the Company cash consideration totaling US$360,000 by June 30, 2015, which it did not and accordingly the JDA2 expired without Quadrant earning any interest in the development area.

We filed Articles of Amendment effective August 25, 2014 consolidating the common shares of Eagleford Energy Inc., on the basis of one (1) common share for every ten (10) common shares and changed its name to Eagleford Energy Corp.

During the year ended August 30, 2014, we converted shareholders' loans and interest due in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,120 units in the capital of our Company at a price of $0.08 per unit. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017.

For the twelve months ended August 31, 2014, the Company recorded net additions of $113,578 in exploration and evaluation assets and a net impairment loss of $1,315,276 related to the Murphy Lease.

Effective March 31, 2015, we entered into a settlement with Stratex and Quadrant pursuant to which Stratex assigned all of its rights, title and interest in, to and under the Matthews Lease and the JDA, to us and Quadrant, and issued to us 1,333,333 common shares of Stratex as repayment of the disputed minimum royalty of US$152,293 and a further payment of US$25,000 was to be paid to us under the settlement agreement. On May 12, 2015 we incorporated EEZ Operating Inc., in the state of Texas and took over as the operator of the Matthews Lease.

On July 2, 2015, the 2629 acre Matthews Lease transitioned into its production unit phase. A total of 340 acres were held as production units. Accordingly, the Company wrote down the lease to fair value of $1,212,996 and recorded an impairment of exploration and evaluation assets at August 31, 2015 of $4,490,045.

At August 31, 2014, the Company had a secured convertible promissory note payable with a face value of (US$1,216,175) (the "Note"). The Note had an interest rate of 10%. The Note was due on the earliest to occur of: (a) August 31, 2015; (b) the closing of any subsequent financing or series of financings by the Company that results in gross proceeds of an aggregate amount equal to or greater than US$4,400,000, excluding conversion of any existing debt into equity; (c) the date of a sale by the Company of all of the shares in the capital stock of Zavala Inc. held by the Company from time to time; (d) the closing of a merger, reorganization, take-over or other business combination which results in a change of control of the Company or Zavala Inc.; or (e) an event of default.

In accordance with the terms of the Note and the General Security Agreement (the "Loan Agreements") between the Company and Benchmark Enterprises Inc., ("Benchmark") the Company had granted and conveyed a first priority security interest in the Company and Zavala Inc.

At August 31, 2015, the Company was unable to pay the Note $1,608,149 US$1,216,175 plus interest of $154,179 (US$121,618), totaling $1,762,328 (US$1,337,793), which constituted an event of default pursuant to the terms of the Loan Agreements. Benchmark having made demand for payment of all amounts owed to it under the Note, gave notice to the Company that it intended to exercise its security on the Company's assets.

In an effort to avoid further costs, the Company and Benchmark entered into a Settlement and Exercise of Security Agreement whereby effective August 31, 2015, the Company assigned and conveyed to Benchmark all of its rights, title and interest in and to Zavala Inc., and issued to Benchmark 10,000,000 shares of common stock of the Company. As a result of the extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 and presented as discontinued operations.

On August 13, 2015, the Company filed a petition against Stratex in the District Court of Harris County, Texas seeking breach of the settlement agreement dated March 31, 2015, for monies owed under the settlement agreement and unpaid production revenue of approximately US$44,000 in the aggregate plus damages. On December 4, 2015, the Company obtained a judgment against Stratex in the amount of $62,069.

On December 22, 2015, the Company issued 5,000,000 common shares in the capital of the Company at a price of $0.01 per share for gross proceeds of $50,000.

On December 22, 2015, the Company issued a total of 103,299,838 units at CDN $0.01 in the capital of the Company pursuant to the anti-dilution clause of the August 30, 2014 debt settlement agreements of $1,180,570. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017. The fair value of the units $7,882,072 was allocated to common shares in the amount of $4,542,981 and warrants in the amount of $3,339,091 based on their relative fair values and $7,882,072 was recorded as a loss on settlement of debt.

On December 22, 2015, the Company issued a total of 95,431,100 common shares in the capital of the Company at a price of US$0.01 per share upon the conversion of debt in the aggregate amount of $1,274,291 (US$954,311). The amount allocated to common shares based on fair value was $6,371,457 and $5,097,166 was recorded as a loss on settlement of debt.

We intend to apply additional capital to further enhance our property interests. As part of our oil and gas development program, management of the Company anticipates further expenditures to expand its existing portfolio of proved reserves. Amounts expended on future exploration and development is dependent on the nature of future opportunities evaluated by us. These expenditures could be funded through cash held by the Company or through cash flow from operations. Any expenditure which exceeds available cash will be required to be funded by additional share capital or debt issued by us, or by other means. Our long-term profitability will depend upon our ability to successfully implement our business plan.

Our past primary source of liquidity and capital resources has been proceeds from the issuance of share capital, loans and advances and cash flow from our oil and gas operations.

Our registered office and principal place of business in Ontario is located at 1 King Street West, Suite 1505, Toronto, Ontario M5H 1A1. Our telephone number at that address is (416) 364-4039.

B. BUSINESS OVERVIEW

Directly and through our wholly owned subsidiary 1354166 Alberta Ltd., we are primarily engaged in the development, acquisition and production of oil and gas interests located in Alberta, Canada.

We have a 0.5% Non-Convertible Overriding Royalty ("NCOR") in a natural gas well located in Haynes, Alberta, Canada and a 5.1975% working interest in a natural gas unit located in Alberta, Canada both of which are carried on our consolidated statement of financial position at Nil.

We have a 0.3% Net Smelter Return Royalty on 8 patented mining claims located in Red Lake, Ontario, Canada carried on our consolidated statement of financial position at Nil.

For the three fiscal years ending August 31, 2015, 2014 and 2013 the total revenue, net of royalties derived from the sale of our natural gas interests in Canada was as follows:

Year	Total Net Revenue	
August 31, 2015	$	53,055
August 31, 2014	$	65,024
August 31, 2013	$	30,062

We sell our natural gas production to integrated oil and gas companies and marketing agencies. Sales prices are generally set at market prices available in Canada or the United States.

The level of activity in the oil and gas industry in North America is influenced by seasonal weather patterns. Wet weather and spring thaw make the ground unstable. Government, municipalities and provincial transportation departments enforce road bans that may restrict the level of activity. Seasonal factors and unexpected weather patterns may lead to declines in production activity and increased consumer demand or changes in supply during certain months of the year may influence the commodity prices.

There is an existing and available market for the oil and gas produced from the properties. However, the prices obtained for production are subject to market fluctuations, which are affected by many factors, including supply and demand. Numerous factors beyond our control, which could affect pricing include:

- the level of consumer product demand;
- weather conditions;
- the foreign supply of oil and gas;
- the price of foreign imports;
- volatility in market prices for oil and natural gas;
- ability to raise financing;
- reliance on third party operators;
- ability to find or produce commercial quantities of oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- dilution of interests in oil and natural gas properties;
- general business and economic conditions;
- the ability to attract and retain skilled staff;
- reliance on joint interest parties;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, financings, acquisitions of reserves, undeveloped lands and skilled personnel; and
- governmental regulation and environmental legislation (See*, Item 3.D Key Information - Risk Factors).*

We caution that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on our forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. We also caution readers not to place undue reliance on these forward-looking statements. Moreover, the forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.

We do not have a reliance on raw materials, as we operate in an extractive industry.

We do not have a reliance on any significant patents.

The oil and gas business is highly competitive in every phase. Many of our competitors have greater financial and technical resources, and have established multi-national operations, secured land rights and licenses, which we may not have. As a result, we may be prevented from participating in drilling and acquisition programs (See*, Item 3.D Key Information - Risk Factors).*

Governmental Regulation/Environmental Issues

Our oil and gas operations are subject to various United States and Canadian governmental regulations including those imposed by the Texas Railroad Commission and Alberta Energy Resources Conversation Board and Alberta Utilities Commission. Matters subject to regulation include discharge permits for drilling operations, drilling and abandonment bonds, reports concerning operations, the spacing of wells, and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and gas wells below actual production capacity in order to conserve supplies of oil and gas. The production, handling, storage, transportation and disposal of oil and gas, by-products thereof, and other substances and materials produced or used in connection with oil and gas operations are also subject to regulation under federal, state, provincial and local laws and regulations relating primarily to the protection of human health and the environment. To date, expenditures related to complying with these laws, and for remediation of existing environmental contamination, have not been significant in relation to the results of operations of our company. The requirements imposed by such laws and regulations are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. These regulations may adversely affect our operations and cost of doing business. It is likely that these laws and regulations will become more stringent in the future (See, *Item 3.D Key Information - Risk Factors*).

C. ORGANIZATIONAL STRUCTURE

We have one wholly owned subsidiary, 1354166 Alberta Ltd. a company incorporated under the Business Corporations Act (*Alberta*) ("1354166 Alberta"). Effective August 31, 2015, we assigned the issued and outstanding shares of Eagleford Energy, Zavala Inc. a company incorporated in Nevada ("Zavala Inc.") and its subsidiary EEZ Operating Inc. a company incorporated in Texas ("EEZ Operating") and part of the settlement of a secured convertible note payable and discontinued the operations of Zavala Inc.

D. PROPERTY, PLANTS AND EQUIPMENT

Our executive offices consist of approximately 850 square feet of office space and are rented at $1,500 per month on a month to month basis. The address of our executive offices is 1 King Street West, Suite 1505, Toronto, Ontario Canada.

Canada
We hold directly a 0.05% NCOR in a natural gas well located in Haynes, Alberta, Canada.

We hold through our wholly owned subsidiary 1354166 Alberta a 5.1975% working interest in a natural gas unit located in Botha, Alberta, Canada.

We have a 0.03% Net Smelter Return Royalty on eight patented mining claims located in Red Lake, Ontario, Canada.

The table below is a glossary of terms and abbreviations that may be used in this Item.

GLOSSARY OF TERMS

Natural Gas	Mcf	1,000 cubic feet
	MMcf	1,000,000 cubic feet
	Mcf/d	1,000 cubic feet per day
Oil and Natural Gas Liquids	Bbl	Barrel
	Mbbls	1,000 barrels
	Blpd	Barrels of liquid per day
	Boe	Barrel of oil equivalent (1)
	Bpd	Barrels per day
	Boepd	Barrels of oil equivalent per day
	Bopd	Barrels of oil per day
	NGLs	Natural gas liquids

(1) Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls	6.289
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres (Alberta)	Hectares	0.405
Hectares (Alberta)	Acres	2.471

Reserve Information: The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economics data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs changes. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. These factors and assumptions include among others (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates, (iii) production decline rates, (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production, (vii) effects of government regulation; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserves estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required for changes in well performance, prices, economic conditions and governmental restrictions. Revisions to reserve estimates can arise from changes in year–end prices, reservoir performance and geological conditions or production. These revisions can be either positive or negative (*" 3.D: "Key Information – Risk Factors"*).

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

The qualitative certainty levels contained in the definitions in proved, probable and possible reserves are applicable to individual reserves entities, which refers to the lowest level at which reserves estimates are made, and to reported reserves, which refers to the highest level sum of individual entity estimates for which reserve estimates are made.

Reported total reserves estimated by deterministic or probabilistic methods, whether comprised of a single reserves entity or an aggregate estimate for multiple entities, should target the following levels of certainty under a specific set of economic conditions:

a. There is a 90% probability that at least the estimated proved reserves will be recovered.
b. There is a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered.
c. There is a 10% probability that at least the sum of the estimated proved reserves plus probable reserves plus possible reserves will be recovered.

A quantitative measure of the probability associated with a reserves estimate is generated only when a probabilistic estimate is conducted. The majority of reserves estimates will be performed using deterministic methods that do not provide a quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the COGE Handbook. Whether deterministic or probabilistic methods are used, evaluators are expressing their professional judgement as to what are reasonable estimates.

The crude oil and natural gas industry commonly applies a conversion factor to production and estimated proved reserve volumes of natural gas in order to determine an "all commodity equivalency" referred to as barrels of oil equivalent ("boe"). The conversion factor we have applied in this Report is the current convention used by many oil and gas companies, where six thousand cubic feet ("mcf") is equal to one barrel ("bbl"). A boe is based on an energy equivalency conversion method primarily applicable at the burner tip. It may not represent equivalency at the wellhead and may be misleading if used in isolation.

Internal Controls for Reserves Reporting: For the year ended August 31, 2015, 2014 and 2013 we had no recordable reserves or discernable future net revenue. A significant component of our internal controls in our reserve estimation effort is our practice of using a qualified independent third-party reserve engineering firm to prepare 100% of our year-end proved and probable reserves. The Board of Directors of the Company reviews the reserves estimates and procedures prior to acceptance of the reports. The Board of Directors has sufficient technical training and experience to review and approve the reports.

Our director, Mr. Cassina chair of our petroleum and natural gas committee maintains oversight and compliance responsibility for the internal reserve estimate process and provides appropriate data to our independent third party reserve engineers to estimate our year-end reserves. Mr. Cassina has sufficient technical training and experience to review and approve the reports.

Independence and Qualifications of Reserve Preparer: For the year ended August 31, 2013 we recorded an impairment loss of our full carrying costs of $168,954 as a result of no recordable reserves and no discernable future net revenue being assigned by the qualified independent third-party reserve engineering firm for our 5.1975% working interest in a natural gas unit located in the Botha area Northwest, Alberta near the town of Manning, Canada held through our wholly owned subsidiary 1354166 Alberta which is carried on the consolidated statement of financial position at nil During the year ended August 31, 2013, the producing wells in the Botha property were shut in by the operator. As we had no recordable reserves or discernable future net revenue at August 31, 2015, 2014 and 2013, we did not retain an independent reserves evaluator.

Production Volume: The following table sets forth the net quantities of natural gas produced during the fiscal years ended August 31, 2015, 2014 and 2013.

August 31,	2015	2014	2013
Natural Gas (Mcf)	22,406	19,244	13,431

Historical Production: The following table sets out our net share of production, average sales prices, average royalties, production costs and average net back per unit of production for the fiscal years ended August 31, 2015, 2014 and 2013.

	For the Years Ended		
Historical Production	**August 31, 2015**	**August 31, 2014**	**August 31, 2013**
Natural Gas – Mcf/d	61	53	37
Natural Gas Prices- $/Mcf	$ 3.06	$ 4.34	$ 2.15
Royalty Costs - $/Mcf	0.70	0.96	0.62
Production Costs - $/Mcf	1.07	0.89	0.62
Net Back - $/Mcf	$ 1.29	$ 2.49	$ 0.89

Producing and Non-Producing Wells: The following table sets out the number of gross and net producing oil and natural gas wells and the number of gross and net non-producing oil and natural gas wells that we have an interest in by location at August 31, 2015, 2014 and 2013. A gross well is a well in which we own an interest. A net well represents the fractional interest we own in gross wells.

August 31	**2015**		**2014**		**2013**	
Alberta, Canada	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Natural Gas Wells-Producing	3.0	.05175	3.0	.05175	3.0	.05175
Natural Gas Wells-Non Producing	9.0	.05175	9.0	.05175	9.0	.05175
Texas, USA						
Oil Wells – Producing	-	-	-	-	-	-
Oil Wells – Non Producing	-	-	3.0	.4444	7.0	.66666

The following table sets forth the developed and undeveloped acreage of the projects in which the Company holds an interest, on a gross and a net basis as of August 31, 2015, 2014 and 2013. The developed acreage is stated on the basis of spacing units designated by provincial authorities and typically on the basis of 160 acre spacing unit for oil production and 640 acre spacing unit for gas production in Alberta and on the basis of stated lease terms in conjunction with the Texas Rail Road Commission. Our developed acreage is located in Alberta, Canada.

August 31,	2015		2014		2012	
	Gross	Net	Gross	Net	Gross	Net
Developed Acreage, Canada	8,320	432	8,320	432	8,320	432
Undeveloped Acreage, USA	-	-	2,629	1,314.5	5,266	4,793

Additional Information Concerning Abandonment and Reclamation Costs: We base our estimates for costs of abandonment and reclamation of surface leases and wells on previous experience with similar well site locations and terrain, estimates obtained from area operators and various regulatory abandonment guidelines and requirements.

We believe that our range of estimates for abandonment and reclamation costs are reasonable and applicable to our wells. Ultimately all wells in which the Company has an interest will require abandonment and reclamation.

The Company's abandonment and reclamation obligations result from its ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Company has estimated the net present value of these obligations to be $11,563 at August 31, 2015 based on an undiscounted total future liability of $11,563. These payments are expected to be incurred during fiscal 2016.

Capitalized Costs related to oil and gas activities: The following table summarizes the costs incurred in our oil and gas interests for acquisition, exploration, development activities and impairments for the three years ended August 31, 2015, 2014 and 2013.

Property, Plant and Equipment	2015	2014	2013
Net book value at September 1	$ -	$ -	$ 175,000
Depletion	-	-	(10,212)
Change in decommissioning obligation estimates	-	-	(4,166)
Impairment	-	-	(168,954)
Total Property, Plant and Equipment	-	-	-
Exploration and Evaluation Assets			
Net book value at September 1	$ 5,036,592	$ 6,535,278	8,475,487
Additions, net	109,874	113,578	404,818
Change in decommissioning obligation estimates	(11,253)	7,225	(9,268)
Impairment	(4,490,045)	(1,675,749)	(2,690,568)
Deconsolidation of Zavala Inc.	(1,212,996)	-	-
Foreign Exchange	567,828	82,686	354,809
Decommissioning obligations (disposal)	-	(26,426)	-
Total Exploration and Evaluation Assets	**$ -**	**5,036,592**	**6,535,278**
Total Capitalized	**$ -**	**$ 5,036,592**	**$ 6,535,278**

The Company's exploration and evaluation assets were located in Texas, USA. During the year ended August 31, 2015, the Company recorded an impairment of $4,490,045 on its Matthews Lease as a result of the estimated reduction of leasehold acreage of the Matthews Lease and fair value upon the settlement of a secured convertible note. Effective August 31, 2015, the Company deconsolidated Zavala Inc. upon the assignment of Zavala Inc.'s common shares as partial satisfaction of the secured note extinguishment (Note 9 and Note16 a to the consolidated financial statements). During the year ended August 31, 2014, an impairment of $1,675,749 was recorded on the Murphy Lease (Note 16 b to the consolidated financial statements).

Matthews Lease, Zavala County, Texas

During the year ended August 31, 2013, the Company, Dyami Energy and OGR Energy Corporation, the Lessees, were litigating a dispute with the Lessors of the Matthew's property. During the last quarter of fiscal year August 2013, the Company and the Lessors agreed to resolve the litigation and continue with the development of the Matthew's property. In order to comply with certain State legal requirements, it was deemed necessary by the Lessors counsel to continue with the development through a newly executed lease document and the Company formed, Zavala Inc. a new wholly owned subsidiary to execute the new lease. The new lease was signed effective September 1, 2013 and the first of two payments of US$150,000 were paid to the Lessors upon signing the new lease as required initial pre-payment of anticipated production royalties along with a continuing development obligation under the lease to complete the previously drilled Matthews #1H horizontal well or drill a new well on the Matthews property no later than March 30, 2014. On September 1, 2013, the Matthews lease was renewed by the Company through Zavala Inc. and based on the concept of faithful representation under IAS 8, the carrying value of the Matthew's lease by Dyami Energy was considered to be the value for Zavala Inc. as this arrangement is simply a reorganization in substance.

On December 3, 2013, (amended January 21, 2014) the Company entered into a Joint Development Agreement with Stratex Oil and Gas Holdings, Inc. ("Stratex") (the "Stratex JDA") to further develop the Matthews Lease. Under the terms of the Stratex JDA, Stratex acted as operator and upon Stratex delivering i) US$150,000 to the lessors of the Matthews Lease on behalf of Zavala Inc., ii) delivering US $150,000 to the Company; and iii) commencing a hydraulic fracture of the Matthews #1H not later than March 31, 2014, Stratex earned a 66.67% working interest before payout (50% working interest after payout) in the Matthews #1H well and a 50% working interest in the 2,629 acre Matthews Lease.

On April 11, 2014, the Company entered into a further Joint Development Agreement ("JDA2") with Stratex and Quadrant Resources LLC, ("Quadrant") for the development of the San Miguel formation on the Matthews Lease. Pursuant to the terms of the JDA2, upon satisfaction of certain conditions including the Phase 1 Work Program and the cash consideration described below, Quadrant could earn an undivided 66.67% before payout and a 50% working interest after payout to the base of the San Miguel formation of the Matthews Lease by i) drilling 3 new wells and reworking 5 wells at its sole cost and expense by June 30, 2015 (the "Phase I Work Program"); ii) deliver US$100,000 to the Company upon execution of the JDA2 (paid); and iii) deliver US$65,000 to the Company on each of July 8, 2014, October 6, 2014, January 5, 2015 and April 6, 2015. The Company recorded the cash payments and the payment of certain obligations under the Matthews Lease by Quadrant totaling $378,577 (US$303,712) as a reduction in exploration and evaluation assets. Under the terms of the JDA2 Quadrant was required to complete the Phase I Work Program and pay the Company cash consideration totaling US$360,000 by June 30, 2015, which it did not and accordingly the JDA2 expired without Quadrant earning any interest in the development area.

On or about September 30, 2014, Stratex filed a petition against Zavala Inc. in the District Court of Zavala County, Texas seeking breach of contract and actual damages of US$152,293 for Zavala Inc.'s alleged non-payment of its proportionate share of minimum royalties due under the Matthews Lease. Zavala Inc. disputed the claim citing $300,000 paid by us was to be credited against the minimum royalties which Stratex failed to do. We paid the US$152,293 under protest and filed a Response and Cross Notice of Default against Stratex (Cause No. 14-09-13290-ZCV).Effective March 31, 2015, we entered into a settlement with Stratex and Quadrant pursuant to which Stratex assigned all of its rights, title and interest in, to and under the Matthews Lease and the JDA, to us and Quadrant, and issued to us 1,333,333 common shares of Stratex as repayment of the disputed minimum royalty of US$152,293 and a further payment of US$25,000 was to be paid to the Company.

On July 2, 2015, the 2629 acre Matthews Lease transitioned into its production unit phase. A total of 340 acres were held as production units. Accordingly, the Company wrote down the lease to fair value of $1,212,996 and recorded an impairment of exploration and evaluation assets at August 31, 2015 of $4,490,045.

At August 31, 2014, we had a secured convertible promissory note payable with a face value of $1,322,347 (US$1,216,175) (the "Note"). The Note had an interest rate of 10%. The Note was due on the earliest to occur of: (a) August 31, 2015; (b) the closing of any subsequent financing or series of financings by the Company that results in gross proceeds of an aggregate amount equal to or greater than US$4,400,000, excluding conversion of any existing debt into equity; (c) the date of a sale by the Company of all of the shares in the capital stock of Zavala Inc. held by the Company from time to time; (d) the closing of a merger, reorganization, take-over or other business combination which results in a change of control of the Company or Zavala Inc.; or (e) an event of default.

In accordance with the terms of the Note and the General Security Agreement (the "Loan Agreements") between the Company and Benchmark Enterprises Inc., ("Benchmark") the Company had granted and conveyed a first priority security interest in the Company and Zavala Inc.

At August 31, 2015, the Company was unable to pay the Note (US$1,216,175) plus interest of US$121,618, totalling US$1,337,793, which constituted an event of default pursuant to the terms of the Loan Agreements. Benchmark having made demand for payment of all amounts owed to it under the Note, gave notice to the Company that it intended to exercise its security on the Company's assets.

In an effort to avoid further costs, the Company and Benchmark entered into a Settlement and Exercise of Security Agreement whereby effective August 31, 2015, the Company assigned and conveyed to Benchmark all of its rights, title and interest in and to Zavala Inc., and issued to Benchmark 10,000,000 shares of common stock of the Company. As a result of the extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 and presented as discontinued operations.

Murphy Lease, Zavala County, Texas
Subsequent to September 1, 2013 and the continuing development of the Matthews lease, Dyami Energy continued its development efforts with the Murphy lease. A tentative joint venture agreement with Stratex was reached but did not materialize and efforts to develop the Murphy lease were not successful. The Company had solicited lenders and investors in an attempt to obtain debt/equity financings as means to improve Dyami Energy's financial situation. Despite the Company's attempts, these efforts were unsuccessful and management determined that it could no longer fund the Murphy operations, hence the lease was considered impaired and an impairment loss was recorded by Dyami Energy during the third quarter of fiscal 2014 (Note 16 b to the consolidated financial statements).

On March 6, 2014, the Company filed a Certificate of Termination of a Domestic Entity with the Secretary of State, Texas for its wholly-owned subsidiary Dyami Energy and effective April 3, 2014, Dyami Energy was dissolved. All prior obligations with respect to the Matthew's and Murphy lease on the books of Dyami Energy prior to its dissolution were recorded by the Company.

ITEM 4A UNRESOLVED STAFF COMMENTS

Not Applicable

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with our "Selected Financial Data" under Item 3 above, our Audited Consolidated Financial Statements for the fiscal years ended August 31, 2015 and 2014 and notes thereto included under Item 18. We adopted IFRS in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") with a transition date of September 1, 2010.

Non-IFRS Measurements *– Certain measures in this Discussion and Analysis do not have any standardized meaning as prescribed by IFRS including "Operating net back" are considered Non-IFRS measures. Therefore, these measures may not be comparable to similar measures presented by other issuers. These measures are common with the oil and gas industry and have been described and presented in this Management's Discussion and Analysis in order to provide shareholders and potential investors with additional information regarding the company's liquidity and its ability to generate funds to finance its operations. These terms are commonly used in the oil and gas industry and are therefore presented here to provide balances comparable to other oil and gas production companies.*

Certain statements made in this Item are forward-looking statements under the Reform Act. Forward- looking statements are based on current expectations that involve a numbers of risks and uncertainties, which could cause actual events or results to differ materially from those reflected herein. See, Item 3.D Key Information - Risk Factors for discussion of important factors, which could cause results to differ materially from the forward-looking statements below.

Overview
Eagleford Energy Corp. ("Eagleford" or the "Company") is amalgamated under the laws of the Province of Ontario. The Company's business focus consists of acquiring, exploring and developing oil and gas interests. The recoverability of the amount shown for these properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and future profitable production or proceeds from disposition of such property. The Company's oil and gas interests are located in Alberta, Canada. In addition, the Company holds a 0.3% net smelter return royalty on 8 mining claim blocks located in Red Lake, Ontario which is carried on the consolidated balance sheets at $Nil. The Company filed Articles of Amendment effective August 25, 2014 consolidating its common shares on the basis of one (1) common share for every ten (10) common shares and changed its name to Eagleford Energy Corp. The address of the registered office is 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1. Eagleford's common shares trade on the OTC Markets (OTCQB) under the symbol EGFDF.

The Company's Consolidated Financial Statements for the year ended August 31, 2015 and 2014 include the accounts of Eagleford, the legal parent, together with its wholly-owned subsidiaries, 1354166 Alberta Ltd. an Alberta operating company ("1354166 Alberta") and Eagleford Energy, Zavala Inc. a Nevada company ("Zavala Inc.") and Zavala Inc.'s wholly owned subsidiary EEZ Operating Inc. a Texas company ("EEZ Operating") incorporated May 12, 2015 until the date of disposition of Zavala Inc., on August 31, 2015. Accordingly Zavala Inc., has been deconsolidated and presented as discontinued operations on the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flows. All Intercompany balances and transactions have been eliminated on consolidation. On March 6, 2014, the Company filed a Certificate of Termination of a Domestic Entity with the Secretary of State, Texas for its wholly-owned subsidiary Dyami Energy and Dyami Energy was dissolved effective April 3, 2014. The Company's investment in Dyami Energy has been deconsolidated from the Company's Consolidated Financial Statements as at the effective date, and presented on the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flows as an impairment of the net assets and liabilities on dissolution of subsidiary (see Note 16 a and b to the Consolidated Financial Statements, Discontinued Operations and Dissolution of Subsidiary).

Capital Management

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity and flexibility to funds its operations, growth and ongoing exploration and development commitments on its oil and gas interests. The Company is dependent on funding these activities through debt and equity financings and joint venture arrangements. Due to long lead cycles of the Company's exploration and development activities, the Company's capital requirements currently exceed its operational cash flow generated. As such the Company is dependent upon future financings in order to maintain its flexibility and liquidity and may from time to time be required to issue equity, issue debt, adjust capital spending or obtain additional farm-in arrangements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, availability of capital and the risk characteristics of any underlying assets in order to meet current and upcoming obligations.

The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management and favourable market conditions to sustain future development of the business. As at August 31, 2015 and August 31, 2014 and the Company considered its capital structure to comprise of shareholders equity and long-term debt.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's capital management plan during the period ended August 31, 2015. The Company is not subject to any externally imposed restrictions on its capital requirements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Our consolidated financial statements for the years ended August 31, 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") (*See Item 18– Financial Statements*). We adopted IFRS in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") with a transition date of September 1, 2010.

Going Concern

Due to continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. The Company will continue to seek additional forms of debt or equity financing, or other means of funding its operations, however, there is no assurance that it will be successful in doing so or that funds will be available on terms acceptable to the Company or at all. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company.

The Company has accumulated significant losses and negative cash flows from operations in recent years which raise doubt as to the validity of the going concern assumption. The Company has a working capital deficiency of $3,233,160 (2014: $3,489,237) and an accumulated deficit of $18,023,164 (2013: $15,328,146). These material uncertainties may cast significant doubt upon the entity's ability to continue as a going concern. Accordingly, the consolidated financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the accompanying consolidated financial statements.

BASIS OF PREPARATION

Statement of Compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee ("IFRAC"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 23, 2015, the date the Board of Directors approved the consolidated financial statements.

Basis of Measurement
The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Functional and Presentation Currency
The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's wholly-owned Alberta subsidiary, 1354166 Alberta, a company operating in the province of Alberta, Canada, is Canadian dollars. The functional currency of the Company's former wholly-owned Nevada subsidiary, Zavala Inc., and its' wholly-owned subsidiary EEZ Operating a Texas company, incorporated May 12, 2015 was United States dollars. The Company's former wholly-owned Texas subsidiary, Dyami functional currency was United States dollars.

Use of Estimates and Judgments
The timely preparation of the consolidated financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgment regarding the measured amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Such estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Valuation and Classification of Exploration and Evaluation Assets
The value of exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves which in turn is dependent on future oil and natural gas prices, future capital expenditures and environmental and regulatory restrictions. The decision to transfer exploration and evaluation assets to property and equipment is based upon management's determination of an area's technical feasibility and commercial viability based on proved and/or probable reserve estimates.

Title to Oil and Gas Property Interests
Although the Company has taken steps to verify title to oil and gas 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.

Stock Based Compensation
The Company measures the cost of equity-settled transactions to the relative fair value of the equity instruments at the date at which they are issued. Estimating relative fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the instrument. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, discount rates and dividend yield.

Decommissioning Liabilities
Decommissioning liabilities consist of asset retirement obligations that are based, in part, on estimates of future costs to settle the obligation, in addition to estimates of the useful life of the underlying assets, the rate of inflation and the risk-free discount rate.

Fair Value of Financial Instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Assessment of Commercial Reserves
Management is required to assess the level of the Company's commercial reserves together with the future expenditures to access those reserves, which are utilized in determining the depletion charge for the period, assessing whether any impairment charge is required against developed or undeveloped properties, and the determination of the deferred tax liability. By their nature, these estimates of discovered proved and probable crude oil and natural gas reserves, including the estimates of future prices, costs, related future cash flows and the selection of a pre-tax risked discount rate relevant to the asset in question are subject to measurement uncertainty.

The Company employs an independent reserves evaluator who periodically assesses the Company's level of commercial reserves by reference to data sets including geological, geophysical and engineering data together with reports, presentation and financial information pertaining to the contractual and fiscal terms applicable to the Company's assets. Significant judgment is involved when determining whether there have been any significant changes in the Company's reserves.

Income taxes
Income taxes liability is estimated for the Company, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the financial statements. Management's judgment is required in the calculation of current and deferred taxes, as well as the likelihood of realization.

Provisions
Considerable judgment is used in measuring and recognizing provisions and the exposure to contingent liabilities. Judgment is necessary to determine the likelihood that a pending litigation or other claim will succeed, or a liability will arise and to quantify the possible range of the final settlement.

Significant changes in the assumptions, including those with respect to future business plan and cash flows, could materially change the recorded carrying amounts.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies
The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company and its subsidiaries.

Basis of Consolidation
Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

The consolidated financial statements include the accounts of Eagleford, the legal parent, together with its wholly-owned subsidiary, 1354166 Alberta a company operating in the province of Alberta, Zavala Inc. a Nevada company and its wholly owned subsidiary EEZ Operating a Texas company incorporated May 12, 2015, until the date of disposition of Zavala Inc., on August 31, 2015 and Dyami which was dissolved effective April 3, 2014.

Revenue Recognition
Revenue is recognized when there is persuasive evidence that an arrangement exits which is when a contract or sales order is signed by both parties, delivery has occurred, ownership has been transferred to the customer, price is fixed or determinable and ultimate collection is reasonably assured at the time of delivery.

Revenues from the production of oil and gas properties from 1354166 Alberta are recognized, on the basis of the Company’s working interest in those properties, when the significant risks and rewards of ownership of the product is transferred to the buyer, which is usually when legal title passes to an external party.

Foreign Currency
Items included in the consolidated financial statements of each of the Company’s wholly owned subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in other comprehensive income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the year- end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the foreign currency translation reserve under other comprehensive income.

Loss per Share
The basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the dilution that would occur if outstanding stock options and share purchase warrants were exercised or converted into common shares using the treasury stock method and are calculated by dividing net loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

The inclusion of the Company’s stock options and share purchase warrants in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation.

Discontinued Operations
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period. Effective August 31, 2015, the Company assigned all of its right, title and interest in Zavala Inc., as partial settlement of a secured convertible note payable and accordingly its operations have been treated as discontinued operations in the Company’s consolidated financial statements.

Comprehensive Income (Loss)
Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the consolidated statement of operations. The Company’s other comprehensive income (loss) is comprised of foreign currency translation reserve and available for-sale-assets.

Foreign currency translation is related to translation differences between the Company’s US dollar functional currency subsidiaries converted into Canadian dollars at the period end exchange rates, and their results of operations converted at average rates of exchange for the period.

Financial Instruments
Classification and Measurement
Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as “fair value through profit and loss”, “loans and receivables”, “available-for-sale”, “held-to-maturity”, or “other financial liability” as defined by IAS 39, “Financial Instruments: Recognition and Measurement”.

Financial assets and financial liabilities at "fair value through profit or loss" are either classified as "held for trading" or "designated at fair value through profit or loss" and are measured at fair value with changes in fair value recognized in the statement of comprehensive income. Transaction costs are expensed when incurred. The Company has classified cash and derivative liabilities as "fair value through profit and loss".

Financial instruments classified as "loans and receivables", "held-to-maturity", or "financial liabilities" are measured at amortized cost using the effective interest method of amortization. "Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. "Held-to-maturity" financial assets are non-derivative investments that an entity has the positive intention and ability to hold to maturity.

"Other financial liabilities measured at amortized cost" are those financial liabilities that are not designated as "fair value through profit or loss" and that are not derivatives. The Company has classified trade and other receivables as "loans and receivables" and trade and other payables, secured note payable, provisions and shareholders' loans as "other financial liabilities".

Financial assets classified as "available-for-sale" are measured at fair value, with changes in fair value recognized in other comprehensive income. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company has classified its marketable securities as "available for sale".

Marketable Securities
At each financial reporting period, the Company estimates the fair value of investments which are available-for-sale, based on quoted closing bid prices at the consolidated statements of financial position date or the closing bid price on the last day the security traded if there were no trades at the consolidated statements of financial position date and such valuations are reflected in the consolidated financial statements. Adjustments to the fair value of the marketable securities at the financial position date are recorded to comprehensive income. The resulting values for unlisted securities whether of public or private issuers, may not be reflective of the proceeds that could be realized by the Company upon their disposition.

Derivative Financial Instruments
The Company's derivative instruments consist of derivative liabilities in relation to its i) share purchase warrants; and ii) its secured convertible note payable.

In prior years the Company had issued share purchase warrants in conjunction with offerings for the purchase of common shares of the Company. These share purchase warrants were issued with an exercise price in US dollars, rather than Canadian dollars (the presentation and functional currency of the Company). Such share purchase warrants are considered to be derivative instruments and the Company is required to re-measure the fair value of these at each reporting date. The fair value of these share purchase warrants are re-measured at each statement of financial position date using the Black-Scholes option pricing model. Adjustments to the fair value of the share purchase warrants at the financial position date are recorded to the statement of operations.

The Company had a secured convertible note payable that had a conversion feature which may convert any unpaid principal and accrued interest into conversion units. A conversion unit was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to acquire a common share of the Company at a price equal to a 15% premium to the price of the common share acquired under the conversion unit. The price of the conversion unit was the lesser of a price equal to the 30-day rolling weighted average price of the Company as of the date of conversion, less 20% (as adjusted for any stock splits, combinations or similar events) or eight United States Cents (US$0.08) per share the ("Conversion Unit"). The terms and features of the conversion met the definition of an embedded derivative. Since both components of the Conversion Unit (the common share component and warrant component) contain a variable exercise/conversion price, the Conversion Unit met the definition of a financial liability under IAS 32 "Financial Instruments: Presentation". As a result, the Conversion Unit was a derivative liability that required fair value measurement each period. The Company had selected the Binomial Lattice model to fair value the warrant component of the conversion unit and the Monte Carlo Simulations process for the common share component of the conversion unit.

Exploration and Evaluation Assets ("E&E")
Pre-acquisition expenditures on oil and gas assets are recognized as an expense in the consolidated statements of operations when incurred. In accordance with IFRS 6, exploration and evaluation costs are capitalized within intangible assets until the success or otherwise of the well or project has been established and subject to an impairment review. The costs of unsuccessful wells in an area are written off to the statement of operations.

Exploration and evaluation costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized either as tangible or intangible E&E assets according to the nature of the assets acquired. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

When E&E assets are determined to be technically feasible and commercially viable, the accumulated costs are transferred to property and equipment. When E&E assets are determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to the statement of operations as exploration and evaluation expense.

E&E assets are assessed for impairment in any circumstances where sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, E&E assets are allocated to cash-generating units ("CGUs").

Development and Production Costs
Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing.

When significant parts of an item of property and equipment, including petroleum and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property and equipment, including petroleum and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in profit or loss.

Subsequent Costs
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as exploration and evaluation assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized exploration and evaluation assets generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Joint Oil and Gas Activities
All of the Company's oil and gas activities are conducted jointly with others. The Company's accounts reflect only the Company's share of assets, liabilities, revenue and expenses in the joint operations. For interests in joint operations, the Company's share of the jointly controlled assets are classified according to the nature of the assets, the Company's share of any liabilities incurred jointly with the other parties, and the Company's share of any income and expenses incurred jointly with the partners are recognized in the consolidated financial statements.

Depletion and Depreciation
The net carrying value of development or production assets is depleted using the units-of-production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually for developed properties.

Proved and probable reserves are estimated using independent reserve engineer reports for developed properties only and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- a reasonable assessment of the future economic benefit of such production;
- a reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proved and probable if they are supported by either actual production or conclusive formation tests. The area of reservoir considered proved includes: (a) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any, or both; and (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. Remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

Non-financial Assets

The carrying amounts of the Company’s non-financial assets, other than E&E assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. E&E assets are assessed for impairment when they are reclassified to property and equipment as petroleum and natural gas interests, and also if facts and circumstances suggest that their carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

E&E assets are allocated to related CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets (petroleum and natural gas interests in property and equipment).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

Decommissioning Obligations
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the period-end date. Subsequent to initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows and changes to discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Borrowing Costs
Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. All other borrowing costs are recognized in profit or loss using the effective interest method. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Taxes
Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of operations except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax
Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax
Deferred tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and asset and they relate to the income taxes levied by the same authority on the same taxable entity, or on different tax entities where these entities intend to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Share-Based Compensation
The Company has a share-based compensation plan that grants stock options to employees and non-employees. This plan is an equity settled plan. The Company uses the fair value method for accounting for share-based awards to employees and non-employees.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

Warrants
When the Company issues units comprising common shares and warrants, the Company follows the relative fair value method of accounting for warrants attached to and issued with common shares of the Company. Under this method, the fair value of warrants issued is estimated using the Black-Scholes option price model. The fair value is then related to the total of the net proceeds received on issuance of the common shares and the fair value of the warrants issued therewith. The resultant relative fair value is allocated to warrants from the net proceeds and the balance of the net proceeds is allocated to the common shares issued.

RECENT ACCOUNTING PRONOUNCEMENTS AND RECENT ADOPTED ACCOUNTING STANDARDS

Recent Issued Accounting Pronouncements
The following standards, amendments and interpretations, which may be relevant to the Company have been introduced or revised by the IASB:

(i) In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, and IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The Company intends to adopt IFRS 15 effective September 1, 2018.The Company does not expect the amendment to have a material impact on the consolidated financial statements.

(ii) On July 24, 2014, the IASB issued the complete IFRS 9 (IFRS 9 (2014)). In November 2009, the IASB issued the first version of IFRS 9, Financial Instruments (IFRS 9 (2009) and subsequently issued various amendments in October 2010, IFRS 9 Financial Instruments (2010) and November 2013 IFRS 9 Financial Instruments (2013). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company does not intend to adopt the new standard prior to its effective date and has not yet determined the impact of this new standard on the consolidated financial statements.

Recent Adopted Accounting Standards
The following standards, amendments and interpretations have been adopted by the Company as of September 1, 2014. There were no material impacts on the consolidated financial statements as a result of the adoption of these standards, amendments and interpretations: (i) IFRIC 21 Levies.

Segmented Information
The Company's reportable and geographical segments are Canada and the United States. The accounting policies used for the reportable segments are the same as the Company's accounting policies. For the purposes of monitoring segment performance and allocating resources between segments, the Company's executive officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments. Effective August 31, 2015, the Company discontinued its reportable segment in the United States. The following tables show information regarding the Company's reportable segments.

For the year ended August 31, 2015	**Canada**	**United States**	**Total**
Net revenue, continuing operations	$ 53,055	-	$ 53,055
Net income, continuing operations	$ 2,067,443		$ 2,067,443
Net loss, discontinued operations	-	$ (4,762,461)	$ (4,762,461)
Net income (loss)	$ 2,067,443	$ (4,762,461)	$ (2,695,018)

For the year ended August 31, 2014	Canada	United States	Total
Net revenue, continuing operations	$ 65,024	-	$ 65,024
Net loss, continuing operations	$ (6,114,977)	-	$ (6,114,977)
Net loss, discontinued operations	-	$ (608)	$ (608)
Net loss	$ (6,114,977)	$ (608)	$ (6,115,585)

For the year ended August 31, 2013	Canada	United States	Total
Net revenue, continuing operations	$ 30,062	-	$ 30,062
Net loss, continuing operations	$ (4,264,833)	-	$ (4,264,833)
Net loss, discontinued operations	-	$ (1,213)	$ (1,213)
Net loss	$ (4,264,833)	$ (1,213)	$ (4,266,046)

As at August 31, 2015	**Canada**	**United States**	**Total**
Total Assets	$ 93,115	-	$ 93,115
Total Liabilities	$ (3,326,275)	-	$ (3,326,275)

As at August 31, 2014	Canada	United States	Total
Total Assets	$ 179,888	$ 5,117,040	$ 5,296,928
Total Liabilities	$ 6,991,287	$ 1,025,076	$ 8,016,363

Other Information
Additional information relating to us may be obtained or viewed from the System for Electronic Data Analysis and Retrieval at www.sedar.com and our future United States Securities and Exchange Commission filings can be viewed through the Electronic Data Gathering Analysis and Retrieval System (EDGAR) at www.sec.gov.

SHARE CAPITAL AND RESERVES

The Company filed Articles of Amendment effective August 25, 2014 consolidating the common shares of Eagleford Energy Inc., on the basis of one (1) common share for every ten (10) common shares and changing its name to Eagleford Energy Corp. The stock consolidation has been applied retrospectively for all periods presented.

a) Share Capital

Authorized:
Unlimited number of common shares at no par value
Unlimited non-participating, non-dividend paying, voting redeemable preference shares

Issued:
The following table sets out the changes in common shares during the respective periods:

Common Shares	Number*		Amount
Balance August 31, 2013	12,262,517	$	7,050,350
Warrants exercised (Note 12 b (a))	651,904		306,405
Debt settlement (Note 12 b (c))	14,757,120		1,715,426
Balance August 31, 2014	27,671,541		9,072,181
Common shares issuable upon the settlement of secured convertible note (Note 9)**	10,000,000		925,611
Balance August 31, 2015	**37,671,541**	**$**	**9,997,792**

* Reflects the August 25, 2014 one-for-ten stock consolidation

**Common shares issuable upon the settlement of the secured convertible note subsequent to August 31, 2015 (see Note 9 to the consolidated financial statements)

b) Share Purchase Warrants

The following table sets out the changes in warrants during the respective periods:

Warrants	August 31, 2015 Number of Warrants*		August 31, 2015 Weighted Average Price*	August 31, 2014 Number of Warrants*		August 31, 2014 Weighted Average Price*
Outstanding, beginning of period	9,293,560	$	0.18	4,020,095	$	0.40
Warrants exercised (Note 12 b (a))				(651,904)	$	0.35
Warrants expired (Note 12 b (d) and (b))	(1,915,000)	$	0.50	(1,453,191)	$	0.35
Warrants issued (Note 12 (c))				7,378,560	$	0.10
Balance, end of period	**7,378,560**	**$**	**0.10**	9,293,560	$	0.18

* Reflects the August 25, 2014 one-for-ten stock consolidation

(a) Effective February 27, 2014, 651,904 common share purchase warrants were exercised at $0.35 expiring February 27, 2014 for settlement of cash advances of $228,167. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $78,238 (see Note 8 to the Consolidated Financial Statements).

(b) On February 5, 2014, 200,000 common share purchase warrants exercisable at $0.35 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $24,000 with a corresponding increase to contributed surplus. On February 25, 2014, 80,052 common share purchase warrants exercisable at $0.35 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $9,606 with a corresponding increase to contributed surplus. On February 27, 2014, 1,173,139 common share purchase warrants exercisable at $0.35 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $140,793 with a corresponding increase to contributed surplus.

(c) Effective August 30, 2014, the Company converted shareholders' loans and interest due in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,120 units in the capital of the Company at a price of $0.08 per unit. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017.The fair value of the units ($2,516,505) was allocated to common shares $1,715,426 and warrants $801,079 based on their relative fair values and $1,335,935 was recorded as a loss on settlement of debt in the consolidated statement of operations and comprehensive loss. The warrant component was valued using a Binomial Lattice model whereas the fair value of the common share component was based on the current market value of the company's stock (see Note 9 and 10 to the Consolidated Financial Statements).

(d) On January 24, 2015, 600,000 common share purchase warrants exercisable at $0.50 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $507,038 with a corresponding increase to contributed surplus. On February 17, 2015, 1,315,000 common share purchase warrants exercisable at $0.50 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $662,851 with a corresponding increase to contributed surplus.

(e) Effective August 31, 2015, the Company entered into a Settlement and Exercise of Security Agreement to extinguish a secured convertible note payable in the amount of $1,608,149 plus interest of $154,179 for a total of $1,762,328. As partial consideration of the settlement the Company agreed to issue 10 million shares of common stock of the Company with a fair value of $925,611 (Note 9 to the Consolidated Financial Statements).

The following table summarizes the outstanding warrants as at August 31, 2015 and 2014, respectively:

Number of Warrants*		Exercise Price*	Expiry Date	Weighted Average Remaining Life (Years)	Warrant Value ($)
7,378,560	$	0.10	August 30, 2017	2.00	**801,079**

* Reflects the August 25, 2014 one-for-ten stock consolidation

Number of Warrants*		Exercise Price*	Expiry Date	Weighted Average Remaining Life (Years)	Warrant Value ($)
600,000	$	0.50	January 24, 2015	0.40	507,038
1,315,000	$	0.50	February 17, 2015	0.47	662,851
7,378,560	$	0.10	August 30, 2017	3.00	801,079
9,293,560	**$**	**0.50**		**2.47**	**1,970,968**

* Reflects the August 25, 2014 one-for-ten stock consolidation

c) Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	August 31, 2015	August 31, 2014 (*)
Weighted Average Shares Outstanding, basic	**27,698,938**	12,675,329
Weighted Average Shares Outstanding, diluted	**37,555,135**	12,675,329

* Reflects the August 25, 2014 one-for-ten stock consolidation

The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

d) Share Purchase Options

The Company has a stock option plan to provide incentives for directors, officers, employees and consultants of the Company. The maximum number of shares, which may be set aside for issuance under the stock option plan, is 20% of the issued and outstanding common shares of the Company on a rolling basis.

The following table is a summary of the status of the Company’s stock options and changes during the period:

	Number of Options*		Weighted Average Exercise Price
Balance, August 31, 2014 and 2013	105,000	$	1.64
Granted	1,000,000		0.12
Expired	(5,000)		(1.64)
Balance, August 31, 2015	**1,100,000**	**$**	**0.25**

* Reflects the August 25, 2014 one-for-ten stock consolidation

The following table is a summary of the Company's stock options outstanding and exercisable as at August 31, 2015 and 2014, respectively:

		Options Outstanding				Options Exercisable		
	Exercise Price	Number of Options*		Weighted Average Exercise Price	Weighted Average Remaining Life (Years) (1)	Number of Options*		Weighted Average Exercise Price
$	**1.60**	**100,000**	**$**	**1.60**	**1.50**	**100,000**	**$**	**1.60**
$	0.12	1,000,000	$	0.12	4.20	1,000,000	$	0.12
		1,100,000	**$**	**0.25**	**3.95**	**1,100,000**	**$**	**0.25**

* Reflects the August 25, 2014 one-for-ten stock consolidation

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Options*	Weighted Average Exercise Price	Weighted Average Remaining Life (Years) (1)	Number of Options*	Weighted Average Exercise Price
$ 1.60	**100,000**	**$ 1.60**	**2.50**	**1,00,000**	**$ 1.60**
$ 2.50	5,000	$ 2.50	0.16	5,000	$ 2.50
	105,000	**$ 1.64**	**2.39**	**105,000**	**$ 1.64**

* Reflects the August 25, 2014 one-for-ten stock consolidation

Stock Based Compensation

On November 12, 2014, the Company granted options to purchase 750,000 common shares to directors. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019. The Company recorded non-cash stock based compensation expense of $84,520.

Stock Based Compensation – Non Employees

On November 12, 2014, the Company granted options to purchase 250,000 common shares to a consultant of the Company. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019. The Company recorded non-cash stock based compensation expense of $28,173.

The fair value of the stock options granted were estimated on the date of the grant using the Black Scholes option pricing model with the following weighted average assumptions used.

	November 12, 2014
Weighted average fair value per option	$ 0.11
Weighted average risk free interest rate	1.54%
Forfeiture rate	0%
Weighted average expected volatility	287.49%
Expected life (years)	5
Dividend yield	Nil

e) Contributed Surplus

Contributed surplus transactions for the respective periods are as follows:

	Amount
Balance, August 31, 2013	$ 506,200
Warrants expired (Note 12 b to the Consolidated Financial Statements)	174,399
Derivative warrants expired (Note 10 to the Consolidated Financial Statements)	709,299
Balance, August 31, 2014	1,389,898
Stock options expired (Note 12 d to the Consolidated Financial Statements)	11,112
Warrants expired (Note 12 b to the Consolidated Financial Statements)	1,169,889
Derivative warrants expired Note 10 to the Consolidated Financial Statements)	1,258,206
Balance, August 31, 2015	**$ 3,829,105**

OVERALL PERFORMANCE

For the year ended August 31, 2015, revenue, net of royalties was down $11,969 to $53,055 compared to $65,024 for the year ended August 31, 2014. The decrease in net revenue for the year ended August 31, 2015, was a result of lower prices received for natural gas from the Company's Botha, Alberta property. Net income from continuing operations for the year ended August 31, 2015 was $2,067,443 compared to a net loss from continuing operations of $6,114,977 for the year ended August 31, 2014. The increase in net income for fiscal 2015 was attributed to a gain on derivative liabilities of $2,653,591 compared to a loss of $2,735,476 for fiscal 2014, a gain on disposition of subsidiary of $615,881 compared to $Nil in 2014, and a gain on settlement of litigation of $120,125 versus $Nil for the same twelve month period ending August 30, 2014. During fiscal 2015, the Company's general and administrative expenses were significantly lower by $314,418 to $89,007 compared to $403,425 for fiscal 2014. The lower general and administrative expenses for 2015, was primarily attributed to the forgiveness of management fees of $306,250 by the President. For the year ended August 31, 2015, the Company recorded a loss on settlement of debt of $Nil versus a loss on settlement of debt in the amount of $1,335,935 for the same period in 2014.

On December 3, 2013, (amended January 21, 2014) the Company entered into a Joint Development Agreement with Stratex Oil and Gas Holdings, Inc. ("Stratex") (the "Stratex JDA") to further develop the Matthews Lease. Under the terms JDA, Stratex earned a 66.67% working interest before payout (50% working interest after payout) in the Matthews #1H well and a 50% working interest in the 2,629 acre Matthews Lease.

On or about September 30, 2014, Stratex filed a petition against Zavala Inc. in the District Court of Zavala County, Texas seeking breach of contract and actual damages of US$152,293 for Zavala Inc.'s alleged non-payment of its proportionate share of minimum royalties due under the Matthews Lease. Zavala Inc. disputed the claim and effective March 31, 2015, the Company entered into a settlement with Stratex and Quadrant pursuant to which Stratex assigned all of its rights, title and interest in, to and under the Matthews Lease and the Stratex JDA, to the Company and Quadrant, and issued to the Company 1,333,333 common shares of Stratex as repayment of the disputed minimum royalty of US$152,293 and a further payment of US$25,000 is to be paid to the Company. EEZ Operating thereafter became the operator of the Matthews Lease.

On April 11, 2014, the Company entered into a further Joint Development Agreement ("JDA2") with Stratex and Quadrant Resources LLC, ("Quadrant") for the development of the San Miguel formation on the Matthews Lease. Pursuant to the terms of the JDA2, upon satisfaction of certain conditions including the Phase 1 Work Program and the cash consideration described below, Quadrant could earn an undivided 66.67% before payout and a 50% working interest after payout to the base of the San Miguel formation of the Matthews Lease by i) drilling 3 new wells and reworking 5 wells at its sole cost and expense by June 30, 2015 (the "Phase I Work Program"); ii) deliver US$100,000 to the Company upon execution of the JDA2 (paid); and iii) deliver US$65,000 to the Company on each of July 8, 2014; October 6, 2014; January 5, 2015 and April 6, 2015. The Company recorded the cash payments and the payment of certain obligations under the Matthews Lease by Quadrant totaling $378,577 (US$303,712) as at August 31, 2015, as a reduction in exploration and evaluation assets. Under the terms of the JDA2 Quadrant was required to complete the Phase I Work Program and pay the Company cash consideration totaling US$360,000 by June 30, 2015, which it did not and accordingly the JDA2 expired without Quadrant earning any interest in the development area.

On July 2, 2015, the 2629 acre Matthews Lease transitioned into its production unit phase. A total of 340 acres were held as production units. Accordingly, the Company wrote down the lease to fair value of $1,212,996 and recorded an impairment of exploration and evaluation assets at August 31, 2015 of $4,490,045.

At August 31, 2014, the Company had a secured convertible promissory note payable with a face value of (US$1,216,175) (the "Note"). The Note had an interest rate of 10%. The Note was due on the earliest to occur of: (a) August 31, 2015; (b) the closing of any subsequent financing or series of financings by the Company that results in gross proceeds of an aggregate amount equal to or greater than US$4,400,000, excluding conversion of any existing debt into equity; (c) the date of a sale by the Company of all of the shares in the capital stock of Zavala Inc. held by the Company from time to time; (d) the closing of a merger, reorganization, take-over or other business combination which results in a change of control of the Company or Zavala Inc.; or (e) an event of default.

In accordance with the terms of the Note and the General Security Agreement (the "Loan Agreements") between the Company and Benchmark Enterprises Inc., ("Benchmark") the Company had granted and conveyed a first priority security interest in the Company and Zavala Inc.

At August 31, 2015, the Company was unable to pay the Note $1,608,149 US$1,216,175 plus interest of $154,179 (US$121,618), totaling $1,762,328 (US$1,337,793), which constituted an event of default pursuant to the terms of the Loan Agreements. Benchmark having made demand for payment of all amounts owed to it under the Note, gave notice to the Company that it intended to exercise its security on the Company's assets.

In an effort to avoid further costs, the Company and Benchmark entered into a Settlement and Exercise of Security Agreement whereby effective August 31, 2015, the Company assigned and conveyed to Benchmark all of its rights, title and interest in and to Zavala Inc., and issued to Benchmark 10,000,000 shares of common stock of the Company. As a result of the extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 and presented as discontinued operations.

The Company anticipates further expenditures to be made on future opportunities evaluated by the Company. Any expenditure which exceeds available cash will be required to be funded by additional share capital or debt issued by the Company, or by other means. The Company's long-term profitability will depend upon its ability to successfully implement its business plan.

The Company's past primary source of liquidity and capital resources has been proceeds from the issuance of share capital, shareholders' loans and cash flow from oil and gas operations.

SELECTED ANNUAL INFORMATION

The following table reflects the summary of results for the years set out.

	For the Years Ended August 31		
	2015	**2014**	**2013**
Revenue, net of royalties	$ 53,055	$ 65,024	$ 30,062
Net income (loss) per share from continuing operations	$ 2,067,443	$ (6,114,977)	$ (4,264,833)
Income (loss) per share from continuing operations, basic	$ 0.075	$ (0.482)	$ (0.407)
Income (loss) per share from continuing operations, diluted	$ 0.055	$ (0.482)	$ (0.407)
Assets	$ 93,115	$ 5,296,928	$ 6,918,196
Long term liabilities	$ -	$ 4,266,790	$ 1,407,822

August 31, 2015 – 2014
For the year ended August 31, 2015, revenue, net of royalties was down $11,969 to $53,055 compared to $65,024 for the year ended August 31, 2014. The decrease in net revenue for the year ended August 31, 2015 was a result of lower prices received for natural gas from the Company's Botha, Alberta property. Net income from continuing operations for the year ended August 31, 2015 was $2,067,443 compared to a net loss from continuing operations of $6,114,977 for the year ended August 31, 2014. The increase in net income for fiscal 2015 was attributed to a gain on derivative liabilities of $2,653,591 compared to a loss of $2,735,476 for fiscal 2014, a gain on disposition of subsidiary of $615,881 compared to $Nil in 2014, and a gain on settlement of litigation of $120,125 versus $Nil for the same twelve month period ending August 30, 2014. During fiscal 2015, the Company's general and administrative expenses were significantly lower by $314,418 to $89,007 compared to $403,425 for fiscal 2014. The lower general and administrative expenses for 2015, was primarily attributed to the forgiveness of management fees of $306,250 by the President. For the year ended August 31, 2015, the Company recorded a loss on settlement of debt of $Nil versus a loss on settlement of debt in the amount of $1,335,935 for the same period in 2014. During fiscal 2015, the President forgave $306,250 of management fees accrued.

August 31, 2014 - 2013
For the year ended August 31, 2014, revenue, net of royalties was up $34,962 to $65,024 compared to $30,062 for the year ended August 31, 2013. The increase in net revenue during 2014, was primarily attributed to increases in natural gas production volume and prices received from the Company's Botha, Alberta property. Net loss from continuing operations for the year ended August 31, 2014 was $6,114,977 compared to a net loss from continuing operations of $4,264,833 for the year ended August 31, 2013. The increase in net loss during 2014, was primarily related to a loss on derivative liabilities of $2,735,476 compared to a loss of $128,041 during fiscal 2013. This increase in 2014 was attributed to the exchange of a secured note for a secured convertible note during fiscal 2014, which terms and features of the conversion meet the definition of an embedded derivative liability that requires fair value measurement at each reporting period. During the year ended August 31, 2014, the Company recorded an increase in loss on settlement of debt in the amount of $933,671 to $1,335,935 compared to a loss on settlement of debt in the amount of $$402,264 during fiscal 2013. During fiscal 2014, the Company converted shareholders' loans and interest due, in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,102 units in the capital of the Company at a price of $0.08 per unit. The increases during fiscal 2014, were partially offset by a reduction in the impairment of exploration and evaluation assets in the amount of $1,375,292 to $1,315,276 compared to $2,690,568 in fiscal 2013.

RESULTS OF OPERATIONS–CONTINUING OPERATIONS

Historical Production	For the Years Ended August 31					
	2015		2014		2013	
Natural gas – mcf/d		61		53		37
Historical Prices						
Natural Gas - $/mcf	$	3.06	$	4.34	$	2.15
Royalties costs - $/mcf	$	0.70	$	0.96	$	0.62
Production costs - $/mcf	$	1.07	$	0.89	$	0.62
Net back - $/mcf	$	1.29	$	2.49	$	0.89
Operations						
Revenue, net of royalties	$	53,055	$	65,024	$	30,062
Net income (loss) per share from continuing operations	$	2,067,443	$	(6,114,977)	$	(4,264,833)
Income (loss) per share from continuing operations, basic	$	0.075	$	(0.482)	$	(0.407)
Income (loss) per share from continuing operations, diluted	$	0.055	$	(0.482)	$	(0.407)

Production Volume
For the year ended August 31, 2015, average natural gas sales volumes slightly increased by 8mcf/d to 61 mcf/d compared to 53 mcf/d for the same period in 2014. Total production volume for the year ended August 31, 2015, was 22,406 mcf compared to 19,244 mcf for the twelve month period ended August 31, 2014.

For the year ended August 31, 2014, average natural gas sales volumes increased by 16 mcf/d to 53 mcf/d compared to 37 mcf/d for the same period in 2013. Total production volume for the year ended August 31, 2014, was 19,244 mcf compared to 13,431 mcf for the twelve month period ended August 31, 2013.

Commodity Prices
For the year ended August 31, 2015, average natural gas prices received per mcf decreased to $3.06 compared to $4.34 for the year ended August 31, 2014.

For the year ended August 31, 2014, average natural gas prices received per mcf increased to $4.34 compared to $2.15 for the year ended August 31, 2013.

The increases and decreases in average natural gas prices received is attributed to fluctuations in commodity prices for natural gas.

Revenue, Net of Royalties	For the Years Ended August 31,					
	2015		2014		2013	
Natural gas sales	$	68,628	$	83,471	$	38,620
Royalties		(15,573)		(18,447)		(8,558)
Revenue, net of royalties	$	53,055	$	65,024	$	30,062

Natural gas sales for the year ended August 31, 2015, were down $14,843 to $68,628 compared to $83,471 for the year ended August 31, 2014. The decrease in sales for fiscal 2015 was attributed to decreased commodity prices received for natural gas.

Natural gas sales for the year ended August 31, 2014, were up $44,851 to $83,471 compared to $38,620 for the year ended August 31, 2013.The increase in sales for fiscal 2014 was attributed to higher production volume and increased commodity prices received for natural gas.

Royalties for the year ended August 31, 2015, were down $2,874 to $15,573 versus royalties of $18,447 for the same twelve month period in 2014.

Royalties for the year ended August 31, 2014, were up $9,889 to $18,447 versus $8,558 for the same twelve month period in 2013 resulting from higher production volume in fiscal 2014.

Revenue, net of royalties for the year ended August 31, 2015, was lower by $11,969 to $53,055 compared to revenue, net of royalties of $65,024 for the year ended August 31, 2014.

Revenue, net of royalties for the year ended August 31, 2014, increased by $34,962 to $65,024 compared to $30,062 for the same twelve month period ended August 31, 2013.

Operating Costs
For year ended August 31, 2015, operating costs were $24,910 compared to operating costs of $17,138 for the year ended August 31, 2014.

For year ended August 31, 2014, operating costs were $17,138 compared to operating costs of $9,234 for the year ended August 31, 2013.

The increase in operating costs for the years ended August 31, 2015 and August 31, 2014, was primarily a result of higher production volume and activity on the Company's Botha, Alberta wells.

Depletion and Accretion
Depletion and accretion for the year ended August 31, 2015 was $Nil compared to $1,536 for the year ended August 31, 2014. The decrease in depletion and accretion for the year ended August 31, 2015, was attributed to the disposition of the Company's wholly-owned subsidiary, Zavala Inc., effective August 31, 2015.

Depletion and accretion for the year ended August 31, 2014, decreased by $11,747 to $1,536 compared to $13,283 for the year ended August 31, 2013. The decrease in depletion and accretion for the year ended August 31, 2014, was primarily attributed to the impairment of the carrying costs of the Company's Botha, Alberta property during fiscal 2013.

General and Administrative Expenses	**For the Years Ended August 31,**		
	2015	**2014**	**2013**
Professional fees	$ 91,233	$ 158,399	$ 251,165
Head office costs	42,000	44,925	48,850
Management fees	(156,250)	75,000	75,000
Transfer and registrar costs	9,053	18,218	7,591
Shareholders information	34,187	35,689	33,017
Office and general costs	5,384	2,350	3,966
Directors fees	2,400	3,100	3,200
Consulting fees and expenses	61,000	65,744	83,792
Advisory fees	-	—	65,724
Reserve report fees	-	-	10,059
Total	$ 89,007	$ 403,425	$ 582,364

General and administrative expenses for the year ended August 31, 2015, were $314,418 lower to $89,007 compared to $403,425 for the year ended August 31, 2014. The decrease in expenses during fiscal 2015 was primarily attributed to a decrease in management fees of $231,250 as a result of $306,250 of management fees forgiven in the current year compared to management fees charged in the prior period in 2014 of $75,000. Also for the year ended August 31, 2015, the Company's professional fees decreased by $67,166 to $91,233 compared to $158,399 for the year ended August 31, 2014. The professional fee decreases were primarily related to a reduction in litigation costs related to the Matthews Lease, Texas. During fiscal 2015, the Company also experienced a reduction in consulting fees of $4,744 and a decrease in transfer and registrar costs of $9,165. During fiscal 2014, the Company completed a 1-for-10 stock consolidation which resulted in higher transfer and registrar costs.

General and administrative expenses for the year ended August 31, 2014, were $178,939 lower to $403,425 compared to $582,364 for the year ended August 31, 2013. The decrease in expenses during fiscal 2014 was primarily attributed to a decrease in professional fees of $92,766 to $158,399 compared to $251,165 for the year ended August 31, 2013. The professional fee decreases were primarily related to a reduction in litigation costs related to the Matthews Lease, Texas as a result of the settlement of claims in 2013. During the year ended August 31, 2014, advisory fees decreased by $65,724 to $Nil compared to $65,724 for the same twelve month period in 2013 as a result of the expiry of an investment banking agreement. For the year ended August 31, 2014, consulting fees were reduced by $18,048 to $65,744 compared to $83,792 during fiscal 2013. In addition, during fiscal 2014 the Company recorded an increase in transfer and registrar costs of $10,627 to $18,218 compared to $7,591 for the year ended August 31, 2013. During fiscal 2014, the Company completed a 1-for-10 stock consolidation which resulted in higher transfer and registrar costs. During fiscal 2014, the Company recorded a decrease in reserve report fees of $10,059 to $Nil compared to $10,059 in fiscal 2013 as a result of no reserves and no future net revenue being assigned to the Company's Botha Alberta Property by an independent reserves evaluator in fiscal 2014.

Interest Expense
For the year ended August 31, 2015, the Company recorded interest costs of $280,299 compared to interest costs of $284,038 for the year ended August 31, 2014. The decrease in interest costs during the year ended August 31, 2015 was primarily attributed to a reduction shareholder loans compared to the prior period in 2014.

For the year ended August 31, 2014, the Company recorded interest costs of $284,038 versus interest costs of $76,783 for the year ended August 31, 2013. The increase in interest costs during the year ended August 31, 2014 was primarily attributed to decreases in borrowing costs capitalized as a result of the impairment loss recorded on exploration and evaluation assets.

Gain (Loss) on Derivative Liabilities
For the year ended August 31, 2015, the Company recorded a gain on derivative liabilities of $2,653,591 compared to a loss on derivative liabilities of $2,735,476 for the year ended August 31, 2014 as follows:

Derivative Warrant Liabilities
For the year ended August 31, 2015, the Company recorded an unrealized loss on derivative warrant liabilities of $214,109 compared to an unrealized loss on derivative warrant liabilities of $57,725 for the year ended August 31, 2014.

For the year ended August 31, 2014, the Company recorded an unrealized loss on derivative warrant liabilities of $57,725 compared to an unrealized loss of $128,041 for the year ended August 31, 2013.

The Company has warrants issued with an exercise price in US dollars which is different to the functional currency of the Company (Canadian Dollars) and accordingly the warrants are treated as a derivative financial liability and the fair value movement during the period is recognized in the statement of operations.

Derivative Unit Liabilities
During the year ended August 31, 2015, the Company recorded a gain derivative unit liabilities of $2,867,700 compared to a loss of $2,677,751 for the year ended August 31, 2014.

During the year ended August 31, 2014, the Company recorded a loss on derivative unit liabilities of $2,677,751 compared to $Nil for the year ended August 31, 2013.

At August 31, 2014, the Company had a secured convertible note payable with a face value of US$1,216,175 (the "Note"). The Note had a conversion option at any time to convert any unpaid principal and accrued interest into conversion units. A conversion unit was comprised of one (1) common share and one (1) common share purchase warrant. Since both the common share component and warrant component contained a variable exercise/conversion price, the conversion unit met the definition of a financial liability under IAS 32"Financial Instruments: Presentation". As a result, the conversion unit was a derivative liability that required fair value measurement each period.

At August 31, 2015, the Company wrote down derivative unit liabilities to fair value being the face value of the Note in the amount of $1,608,149 (US$1,216,175), upon the extinguishment of the Note.

Loss on Foreign Exchange
For the year ended August 31, 2015, the Company recorded a loss on foreign exchange of $415,345 versus a loss on foreign exchange of $101,427 for year ended August 31, 2014.

For the year ended August 31, 2014, the Company recorded a loss on foreign exchange of $101,427 versus a loss on foreign exchange of $197,640 for year ended August 31, 2013.

These foreign exchange losses are attributed to the translation of monetary assets and liabilities not denominated in the functional currency of the Company.

Marketing and Public Relations
For the year ended August 31, 2015, the Company recorded a recovery of prior marketing and public relations costs of $22,800 versus a recovery of marketing and public relations costs of $14,250 for the year ended August 31, 2014. The recovery of costs relates to the reversal of prior accruals.

For the year ended August 31, 2014, the Company recorded a recovery of marketing and public relations costs of $14,250 compared to marketing and public relations expense of $25,763 for the year ended August 31, 2013.

Gain on Disposal of Subsidiary
At August 31, 2015, the Company settled a secured convertible note payable with a face value of $1,608,149 (US$1,216,175) plus interest of $154,179 (US$121,618), totaling $1,762,328 (US$1,337,793) by conveying all of its rights, title and interest in and to Zavala Inc., and issuing 10,000,000 shares of common stock of the Company. As a result the Company's extinguishment of the Note, the Company's investment in Zavala Inc. had been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015, at which time the Company realized a foreign exchange translation gain of $615,881 (August 31, 2014 $Nil).

Stock Based Compensation
For the year ended August 31, 2015, the Company recorded stock based compensation of $84,520 compared to $Nil for the same twelve month period in 2014 (August 31, 2013: $Nil).

On November 12, 2014, the Company granted options to purchase 750,000 common shares to directors of the Company. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019.

Stock Based Compensation-Non Employees
For the year ended August 31, 2015, the Company recorded stock based compensation for non-employees of $28,173 compared to $Nil for the year ended August 31, 2014.

On November 12, 2014, the Company granted options to purchase 250,000 common shares to a consultant of the Company. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019.

Accretion of Secured Convertible Note
For the year ended August 31, 2015, the Company recorded accretion on the secured convertible note in the amount of $475,755 compared to $Nil for the year ended August 31, 2014 (August 31, 2013: $Nil).

At August 31, 2014, the Company had a secured convertible note payable with a face value of US$1,216,175 (August 31, 2014: US$1,216,175) (the "Note"). The Note was being accreted up to its face value based on an effective interest rate until the date of extinguishment on August 31, 2015.

Gain on Settlement of Litigation
For the year ended August 31, 2015, the Company recorded a gain on settlement of litigation in the amount of $120,125 compared to $Nil for the year ended August 31, 2014.

Effective March 25, 2015, the Company entered into a settlement agreement with a former director of the Company and received 1,200,000 common shares and 1,200,000 common share purchase warrants of Stratex Oil & Gas Holdings, Inc. ("Stratex") exercisable at US$0.15 per expiring December 31, 2018. The 1,200,000 common shares and warrants were recorded at fair value of $120,125 and allocated to gain on settlement of litigation, and marketable securities.

Loss on Settlement of Debt
For the year ended August 31, 2015, the Company recorded a loss on settlement of debt in the amount of $Nil compared to loss on settlement of debt $1,335,935 for the same twelve month period in 2014. During fiscal 2014, the Company issued 14,757,102 units as full settlement of shareholders' loans and interest in the aggregate amount of $1,180,570. The fair value of the units ($2,516,505) was allocated to common shares $1,715,426 and warrants $801,079 based on their relative fair values and $1,335,935 was recorded as loss on settlement of debt.

For the year ended August 31, 2014, the Company recorded a loss on settlement of debt in the amount of $1,335,935 compared to $402,264 for the same twelve month period in 2013.

Impairment Loss on Exploration and Evaluation Assets
As at and for the year ended August 31, 2015, the Company recorded an impairment loss on exploration and evaluation assets of $Nil compared to a net impairment loss of $1,315,276 during fiscal 2014, upon the dissolution of Dyami Energy.

During the year August 31, 2014, the Company filed a Certificate of Termination of a Domestic Entity with the Secretary of State, Texas for its wholly-owned subsidiary Dyami Energy and effective April 3, 2014, Dyami Energy was dissolved. All prior obligations with respect to the Matthew's and Murphy leases on the books of Dyami Energy prior to its dissolution were recorded by the Company. The Company's investment in Dyami Energy has been deconsolidated from the Company's Consolidated Financial Statements as at the effective date, and presented on the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flow as an impairment of the net assets and liabilities on dissolution of subsidiary.

As at and for the year ended August 31, 2014, the Company recorded a net impairment loss of $1,315,276 compared to an impairment loss of $2,690,568 on its Murphy Lease, Zavala County, Texas during fiscal 2013.

For the year ended August 31, 2013, the Company recorded an impairment of $2,690,568 on its Murphy Lease, Zavala County, Texas based on the amount for which management believed the assets could be sold or farmed out in an arms' length transaction, less estimated costs to sell.

Impairment Loss on Property and Equipment
For the years ended August 31, 2015 and 2014, the Company recorded an impairment loss on property and equipment of $Nil

For the year ended August 31, 2013, the Company recorded an impairment loss on the Botha Alberta Property in the amount of $168,954 as a result of no reserves and no future net revenue being assigned by the independent reserves evaluator.

Impairment Loss on Marketable Securities
For the years ended August 31, 2015 and 2014 the Company recorded an impairment loss on marketable securities of $Nil. For the year ended August 31, 2013, the fair value of the securities were written down to $Nil and an impairment loss of $1.00 was recorded.

Net Income (Loss) from Continuing Operations
Net income from continuing operations for the year ended August 31, 2015, was $2,067,443 compared to a net loss of $6,114,977 for the year ended August 31, 2014. The increase in net income for fiscal 2015 was primarily attributed to a gain on derivative liabilities of $2,653,591 compared to a loss of $2,735,476 for fiscal 2014, a gain on disposition of subsidiary of $615,881 compared to $Nil in 2014, and a gain on settlement of litigation of $120,125 versus $Nil for the same twelve month period ending August 30, 2014. During fiscal 2015 the Company's general and administrative expenses were significantly lower by $314,418 to $89,007 compared to $403,425 for fiscal 2014. The lower general and administrative expenses for 2015 was primarily attributed to the forgiveness of management fees of $306,250 by the President. For the year ended August 31, 2015 the Company recorded a loss on settlement of debt of $Nil versus a loss on settlement of debt in the amount of $1,335,935 for the same period in 2014. During fiscal 2015, the President forgave $306,250 of management fees accrued.

Net loss from continuing operations for the year ended August 31, 2014, was $6,114,977 compared to a net loss of $4,264,833 for the year ended August 31, 2013. The increase in net loss during 2014 was primarily related to a loss on derivative liabilities of $2,735,476 compared to a loss of $128,041 during fiscal 2013. This increase in 2014 was attributed to the exchange of a secured note for a secured convertible note during fiscal 2014 which terms and features of the conversion meet the definition of an embedded derivative liability that requires fair value measurement at each reporting period. During the year ended August 31, 2014, the Company recorded an increase in loss on settlement of debt in the amount of $933,671 to $1,335,935 compared to a loss on settlement of debt in the amount of $402,264 during fiscal 2013. During fiscal 2014 the Company converted shareholders' loans and interest due, in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,102 units in the capital of the Company at a price of $0.08 per unit. The increases during fiscal 2014, were partially offset by a reduction in the impairment of exploration and evaluation assets in the amount of $1,375,292 to $1,315,276 compared to $2,690,568 in fiscal 2013.

Net Loss from Discontinued Operations Net of Tax

Net loss from discontinued operations for the year ended August 31, 2015, was $4,762,461 compared to a loss from discontinued operations of $608 for the year ended August 31, 2014. The increase during fiscal 2015 was primarily related to an impairment of exploration and evaluation assets of $4,490,045 versus $Nil for the year ended August 31, 2015. For the year ended August 31, 2015, professional fees increased by $66,632 as well as increases to general and administrative costs.

Net loss from discontinued operations for the year ended August 31, 2014, was $608 compared to a loss from discontinued operations of $1,213 for the year ended August 31, 2013.

At August 31, 2015, the Company entered into a Settlement and Exercise of Security Agreement whereby effective August 31, 2015, the Company assigned and conveyed all of its rights, title and interest in and to Zavala Inc., and issued 10,000,000 shares of common stock of the Company as settlement of a Secured Convertible Note in the amount of $1,608,149 plus interest of $154,179, totaling $1,762,328. As a result of the extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 and presented as discontinued operations.

The following table presents the consolidated statements of operations and comprehensive income (loss) of Zavala Inc. for the years set out:

		August 31, 2015		August 31, 2014		August 31, 2013
Expenses						
Accretion	$	1,498	$	913	$	-
General and administrative (recovery)		73,347		(305)		1,213
Bad debt expense		29,756		-		-
Impairment loss on marketable securities		167,815		-		-
Impairment loss on exploration and evaluation assets		4,490,045		-		-
Loss from discontinued operations		(4,762,461)		(608)		(1,213)
Foreign currency translation		(4,692)		3,800		892
Comprehensive income (loss) from discontinued operations	$	(4,767,153)	$	3,192	$	(321)
Loss per share basic and diluted from discontinued operations	$	(0.172)	$	(0.000)	$	(0.000)

Net Loss

Net loss for the year ended August 31, 2015, was $2,695,018 compared to a net loss of $6,115,585 for the year ended August 31, 2014. The increase in net income for fiscal 2015 was attributed to a gain on derivative liabilities of $2,653,591 compared to a loss of $2,735,476 for fiscal 2014, a gain on disposition of subsidiary of $615,881 compared to $Nil in 2014, and a gain on settlement of litigation of $120,125 versus $Nil for the same twelve month period ending August 30, 2014. During fiscal 2015 the Company's general and administrative expenses were significantly lower by $314,418 to $89,007 compared to $403,425 for fiscal 2014. The lower general and administrative expenses for 2015 was primarily attributed to the forgiveness of management fees of $306,250 by the President. For the year ended August 31, 2015 the Company recorded a loss on settlement of debt of $Nil versus a loss on settlement of debt in the amount of $1,335,935 for the same period in 2014. During fiscal 2015, the President forgave $306,250 of management fees accrued. For the year ended August 31, 2015, the Company recorded an impairment loss on exploration and evaluation assets of $4,490,045 versus an impairment loss of $1,315,276 for the year ended August 31, 2014.

Net loss for the year ended August 31, 2014, was $6,115,585 compared to a net loss of $4,266,046 for the year ended August 31, 2013. The increase in net loss during 2014 was primarily related to a loss on derivative liabilities of $2,735,476 compared to a loss of $128,041 during fiscal 2013. This increase in 2014 was attributed to the exchange of a secured note for a secured convertible note during fiscal 2014 which terms and features of the conversion meet the definition of an embedded derivative liability that requires fair value measurement at each reporting period. During the year ended August 31, 2014, the Company recorded an increase in loss on settlement of debt in the amount of $933,671 to $1,335,935 compared to a loss on settlement of debt in the amount of $402,264 during fiscal 2013. The increases during fiscal 2014, were partially offset by a reduction in the impairment of exploration and evaluation assets in the amount of $1,375,292 to $1,315,276 compared to $2,690,568 in fiscal 2013.

Other Comprehensive Income (Loss)
Unrealized Loss on Marketable Securities-Continuing Operations

For the year ended August 31, 2015, the Company recorded an unrealized loss on marketable securities of $110,525 versus a loss of $Nil for the year ended August 31, 2014.

Effective March 25, 2015, the Company entered into a settlement agreement with a former director of the Company and received 1,200,000 common shares and 1,200,000 common share purchase warrants of Stratex exercisable at US$0.15 per expiring December 31, 2018. The 1,200,000 common shares and warrants were recorded at fair value of $120,125 and allocated to marketable securities and gain on settlement of litigation.

At each financial reporting period, the Company estimates the fair value of investments which are held-for-trading, based on quoted closing bid prices at the consolidated statements of financial position date or the closing bid price on the last day the security traded if there were no trades at the consolidated statements of financial position date and such valuations are reflected in the consolidated financial statements.

Foreign Currency Translation-Continuing Operations
For the year ended August 31, 2015, the Company recorded a loss on translation of foreign subsidiary of $Nil versus a loss of $203,765 for the year ended August 31, 2014.

For the year ended August 31, 2014, the Company recorded a loss on translation of foreign subsidiary of $203,765 versus a gain of $313,228 for the year ended August 31, 2013.

These losses are related to translation differences between Dyami Energy’s US dollar functional currency converted into Canadian dollars at the period end exchange rates, and the results operations converted at average rates of exchange for the period.

Foreign Currency Translation-Discontinued Operations
For the year ended August 31, 2015, the Company recorded a loss on translation of foreign subsidiary of $4,692 versus a gain of $3,800 for the year ended August 31, 2014.

For the year ended August 31, 2014, the Company recorded a gain on translation of foreign subsidiary of $3,800 versus a gain of $892 for the year ended August 31, 2013.

These losses are related to translation differences between Zavala Inc.’s US dollar functional currency converted into Canadian dollars at the period end exchange rates, and the results operations converted at average rates of exchange for the period.

Total Other Comprehensive Income (Loss)
Total other comprehensive loss for the year ended August 31, 2015, was $115,217 compared to a total other comprehensive loss of $199,965 for the year ended August 31, 2014.

Total other comprehensive loss for the year ended August 31, 2014, was $199,965 compared to total other comprehensive income of $314,120 for the year ended August 31, 2013.

Net Loss and Comprehensive Loss
Total comprehensive loss for the year ended August 31, 2015, was $2,810,235 compared to a total loss and comprehensive loss of $6,315,550 for the year ended August 31, 2014.

Total loss and comprehensive loss for the year ended August 31, 2014, was $6,315,550 compared to a total loss and comprehensive loss of $3,951,926 for the year ended August 31, 2013.

Earnings (Loss) per Share, Basic
Basic earnings per share from continuing operations for the year ended August 31, 2015, was $0.075 compared to a basic loss per share from continuing operations of $0.482 for the same period in 2014.

Basic loss per share from continuing operations for the year ended August 31, 2014, was $0.482 compared to a basic loss per share from continuing operations of $0.407 for the same period in 2013.

Basic loss per share from discontinued operations for the year ended August 31, 2015, was $0.172 compared to a basic loss per share discontinued operations of $0.000 for the same period in 2014.

Basic loss per share from discontinued operations for the year ended August 31, 2014, was $0.000 compared to a basic loss per share from discontinued operations of $0.000 for the same period in 2013.

Total Loss per Share, Basic
Total basic loss per share for the year ended August 31, 2015, was $0.097 compared to a total basic loss per share of $0.482 for the same period in 2014.

Total basic loss per share for the year ended August 31, 2014, was $0.482 compared to a total basic loss per share of $0.407 for the same period in 2013.

Earnings (Loss) per Share, Diluted
Diluted earnings per share from continuing operations for the year ended August 31, 2015, was $0.055 compared to a diluted loss per share from continuing operations of $0.482 for the same period in 2014.

Diluted loss per share from continuing operations for the year ended August 31, 2014, was $0.482 compared to a diluted loss per share from continuing operations of $0.407 for the same period in 2013.

Diluted loss per share from discontinued operations for the year ended August 31, 2015, was $0.172 compared to a diluted loss per share discontinued operations of $0.000 for the same period in 2014.

Diluted loss per share from discontinued operations for the year ended August 31, 2014, was $0.000 compared to a diluted loss per share from discontinued operations of $0.000 for the same period in 2013.

Total Loss per Share, Diluted
Total diluted loss per share for the year ended August 31, 2015, was $0.117 compared to a total diluted loss per share of $0.482 for the same period in 2014.

Total diluted loss per share for the year ended August 31, 2014, was $0.482 compared to a total diluted loss per share of $0.407 for the same period in 2013.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

The following tables reflect the summary of quarterly results for the periods set out.

For the quarter ending	2015 August 31	2015 May 31	2015 February 29	2014 November 30
Revenue, net of royalties	$ 15,791	$ 11,905	$ 11,794	$ 13,565
Net income (loss) for the period	$ 3,527,501	$ (1,058,670)	$ 274,941	$ (676,329)
Earnings (loss) per share, basic	$ 0.126	$ (0.038)	$ 0.010	$ (0.024)
Earnings (loss) per share, diluted	$ 0.096	$ (0.038)	$ 0.005	$ (0.024)

Fiscal 2015
Revenue, net of royalties for the four quarters fluctuated as a result of changes in production volume and commodity prices. For the three month period ended August 31, 2015, the Company recorded gain on derivative liabilities of $2,653,591, and a gain on disposal of subsidiary of $615,881. For the three month period ended May 31, 2015, the Company recorded a loss on derivative financial liabilities of $738,652 and accretion of $327,793 on a secured convertible note. For the three month period February 28, 2015, the Company record a gain on derivative liabilities of $751,502. During the quarter ended November 30, 2014, the Company recorded a loss on derivative liabilities of $263,551 and stock based compensation expense of $112,693.

For the quarter ending	2014 August 31	2014 May 31	2014 February 29	2013 November 30
Revenue, net of royalties	$ 19,551	$ 22,116	$ 9,754	$ 13,603
Net income (loss) for the period	$ (4,330,816)	$ (1,272,001)	$ (400,001)	$ (112,159)
Loss per share, basic and diluted	$ (0.327)	$ (0.098)	$ (0.032)	$ (0.010)

Fiscal 2014

Revenue, net of royalties for the four quarters fluctuated as a result of changes in production volume and commodity prices. During the quarter ended August 31, 2014, the company recorded a loss on derivative liabilities of $2,676,655 and loss on settlement of debt in the amount of $1,335,935 upon the settlement of shareholders loans and interest due, in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,102 units in the capital of the Company at a price of $0.08 per unit. During the quarter ended May 31, 2014, the Company recorded a net impairment loss on exploration and evaluation assets in the amount of $1,315,276. During the three months ended February 2014, the Company recorded a loss on foreign exchange of $146,645. Other changes in net loss during the quarters were primarily related to increases in general and administrative costs, gain or loss on foreign exchange and the fair value movement of derivative warrant liabilities during the respective periods.

FOURTH QUARTER RESULTS-CONTINUING OPERATIONS

Historical Production	For the Three Months Ended August 31			
		2015		2014
Natural gas – mcf/d		65		62
Historical Prices				
Natural Gas - $/mcf	$	3.30	$	4.30
Royalties costs - $/mcf	$	0.68	$	0.82
Production costs - $/mcf	$	1.23	$	1.22
Net back - $/mcf	$	1.39	$	2.26
Operations				
Revenue, net of royalties	$	15,791	$	19,551
Net income (loss)	$	3,527,501	$	(4,330,816)
Earnings (loss) per share, basic	$	0.126	$	(0.327)
Earnings (loss) per share, diluted	$	0.096	$	(0.327)

Production Volume

For the three months ended August 31, 2015 average natural gas sales volumes was 65 mcf/d compared to 62 mcf/d for the same period in 2014. Total production volume for the three months ended August 31, 2015 was 6,023 mcf compared to 5,622 mcf for the same three month period in 2014.

Commodity Prices

For the three months ended August 31, 2015 average natural gas prices received per mcf was $3.30 compared to $4.30 for the three months ended August 31, 2014.

Revenue, Net of Royalties	For the Three Months Ended August 31,			
		2015		2014
Natural gas sales	$	19,874	$	24,174
Royalties		(4,083)		(4,623)
Revenue, net of royalties	$	15,791	$	19,551

Natural gas sales for the three months ended August 31, 2015, was down $4,300 to $19,874 compared to $24,174 for the three months ended August 31, 2014. The decrease in sales for the three month period ended August 31, 2015 was attributed to a decrease in natural gas prices received.

Royalties for the three months ended August 31, 2015, were down by $540 to $4,083 compared to $4,623 for the three months ended August 31, 2014.

As a result of the above, revenue, net of royalties for the three months ended August 31, 2015, decreased to $15,791 compared to $19,551 for the same three month period in 2014.

Operating Costs

For three months ended August 31, 2015, the Company incurred operating costs of $7,410 versus operating costs of in the amount of $6,843 for the same three month period ended August 31, 2014. Increased operating costs for the three months ended August 31, 2015 was primarily a result of higher production volume from the Company’s Botha, Alberta wells.

General and Administrative Expenses

	For the Three Months Ended August 31	
	2015	2014
Professional fees	$ 31,035	$ 94,588
Head office costs	10,500	11,250
Management fees	(268,750)	18,750
Transfer and registrar costs	3,062	12,402
Shareholders information	-	2,857
Office and general costs	1631	1,204
Directors fees	400	600
Consulting fees and expenses	16,000	16,146
Total	$ (206,122)	$ 157,797

General and administrative expenses for the three months ended August 31, 2015, decreased to a recovery of $206,122 compared to general and administrative costs $157,797 for the year ended August 31, 2014. The decrease in general and administrative expenses during 2015, was primarily attributed to $306,250 of management fees being forgiven in the current three month period versus management fees charged of $18,750 in the three month period in 2014. The Company also had decreased professional fees in the amount of $63,553 to $31,035 during 2015 compared to $94,588 in the three month period in 2014. In addition the Company had decreased transfer and registrar costs of $9,340 during the three month period ended August 31, 2015.

Interest Expense

For the three months ended August 31, 2015 the Company incurred interest costs of $77,966 versus interest costs of $171,323 for the three months ended August 31, 2014. The decrease in interest for the quarter in 2015 was attributed decreased shareholder loans in the current three month period.

Gain/Loss on Derivative Liabilities

For the three months ended August 31, 2015, the Company recorded again on derivative liabilities of $2,904,292 compared to a loss on derivative liabilities of $2,676,655 for the three months ended August 31, 2014 as follows:

Derivative Warrant Liabilities

For the three months ended August 31, 2015, the Company recorded an unrealized loss on derivative warrant liabilities of $16,119 compared to an unrealized loss of $1,098 for the three months ended August 31, 2014.

The Company has warrants issued with an exercise price in US dollars which is different to the functional currency of the Company (Canadian Dollars) and accordingly the warrants are treated as a derivative financial liability and the fair value movement during the period is recognized in the statement of operations.

Derivative Unit Liabilities

During the three months ended August 31, 2015, the Company recorded a gain on derivative unit liabilities of $2,920,411 compared to a loss on derivative unit liabilities of $$2,675,557 for the three months ended August 31, 2014.

At August 31, 2014, the Company had a secured convertible note payable with a face value of $1,322,347 (US$1,216,175) (the "Note"). The Note had a conversion option at any time to convert any unpaid principal and accrued interest into conversion units. A conversion unit was comprised of one (1) common share and one (1) common share purchase warrant. Since both the common share component and warrant component contained a variable exercise/conversion price, the conversion unit met the definition of a financial liability under IAS 32"Financial Instruments: Presentation". As a result, the conversion unit is a derivative liability that required fair value measurement each period.

At August 31, 2015, the Company wrote down derivative unit liabilities to fair value being the face value of the Note in the amount of US$1,216,175totaling upon the extinguishment of the Note and recorded a gain.

Loss on Foreign Exchange
For the three months ended August 31, 2015, the Company recorded a loss on foreign exchange of $129,209 versus a loss on foreign exchange of $1,813 for the same three month period in 2014.

These foreign exchange gains and losses are attributed to the translation of monetary assets and liabilities not denominated in the functional currency of the Company.

Gain on disposal of subsidiary
For the three months ended August 31, 2015, the Company recorded a gain on disposal of subsidiary in the amount of $615,881 versus $Nil for the same three month period in 2014.

At August 31, 2015, the Company settled a secured convertible note payable with a face value of US$1,216,175 plus interest of US$121,618, totaling US$1,337,793 by conveying all of its rights, title and interest in and to Zavala Inc., and issuing 10,000,000 shares of common stock of the Company. As a result the Company's extinguishment of the Note, the Company's investment in Zavala Inc. had been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 and the Company recorded a gain on disposal of $615,881.

Loss on Settlement of Debt
For the three months ended August 31, 2015, the Company recorded a loss on settlement of debt in the amount of $Nil compared to $1,335,935 for the same three month period in 2014.

During the third quarter fiscal 2014, the Company issued 14,757,120 units as full settlement of shareholders' loans and interest in the aggregate amount of $1,180,570. The fair value of the units ($2,516,505) was allocated to common shares $1,715,426 and warrants $801,079 based on their relative fair values and $1,335,935 was recorded as loss on settlement of debt.

Net Earnings (Loss) from Continuing Operations
Net earnings from continuing operations for the three months ended August 31, 2015, was $ $3,527,501 compared to a net loss from continuing operations of $4,330,816 for the three months ended August 31, 2014. During the three month period in 2015, the Company recorded a gain on derivative liabilities of $2,904,292 versus a loss of $2,676,655 for the same three month period in 2014. In 2014, the Company recorded a loss on settlement of debt in the amount of $1,335,935 compared to $Nil in the current period in 2015. Also for the three months ended August 31, 2015, the Company recorded a gain on disposition of subsidiary of $615,881 compared to Nil for the three months ended August 31, 2014 and a recovery of management fees in 268,750 compared to a charge of $18,750 for the same three months period in 2014.

Net Earnings (Loss) from Discontinued Operations
For the three months ended August 31, 2015, net earnings from discontinued operations was $11,146 compared to a net loss from discontinued operations of $1,276 for the three months ended August 31, 2014. During the three month period in 2015, the Company recorded a recovery of exploration and evaluation assets in the amount of $230,149 versus $Nil recorded in the same three month period ending August 31, 2014. For the three months ended August 31, 2015, the Company recorded a loss on marketable securities of $167,815 compared to $Nil for the same three month period in 2014. For the three month period ending August 31, 2015, general and administrative costs were $73,347 compared to $933 for the same three month period in 2014.

Net Earnings (Loss)
Net income for the three months ended August 31, 2015 was $3,958,566 compared to a net loss of $4,332,092 for three months ended August 31, 2014. During the three month period in 2015, the Company recorded a gain on derivative liabilities of $2,904,292 versus a loss of $2,676,655 for the same three month period in 2014. In 2014 the Company recorded a loss on settlement of debt in the amount of $1,335,935 compared to $Nil in the current period 2015. During the three month period in 2015, the Company recorded a recovery of exploration and evaluation assets in the amount of $230,149 versus $Nil recorded in the same three month period ending August 31, 2014.

Other Comprehensive Income (Loss)
Unrealized Loss on Marketable Securities-Continuing Operations
For the three months ended August 31, 2015, the Company recorded an unrealized loss on marketable securities in the amount of $57,007 compared to $Nil for the same three month period in 2014.

Foreign Currency Translation-Discontinued Operations
For the three months ended August 31, 2015 the Company recorded a loss on translation of foreign subsidiaries from discontinued operations in the amount of $695,899 compared to a loss on translation of foreign subsidiaries of $1,771 for the three months ending August 31, 2014.

Total Other Comprehensive Income (Loss)
Total comprehensive loss for the three month period ended August 31, 2015 was $752,906 versus $1,771 for the three month period ending August 31, 2015.

Net Earnings (Loss) and Comprehensive Income (Loss)
Net earnings and comprehensive income for the three months ended August 31, 2015 was $2,785,741 compared to a net loss and comprehensive loss of $4,333,863 for the three month period ended August 31, 2014.

Earnings (Loss) per Share, Basic
Basic earnings per share from continuing operations for the three months ended August 31, 2015, was $0.126 compared to a basic loss per share from continuing operations of $0.327 for the same three month period in 2014.

Basic earnings per share from discontinued operations for the three months ended August 31, 2015 and August 31, 2014 was $0.000.

Total Earnings (Loss) per Share, Basic
Total basic earnings per share for the three months ended August 31, 2015, was $0.126 compared to a total basic loss per share of $0.327 for the same period in 2014.

Earnings (Loss) per Share, Diluted
Diluted earnings per share from continuing operations for the three months ended August 31, 2015, was $0.096 compared to a diluted loss per share from continuing operations of $0.327 for the same period in 2014.

Diluted earnings per share from discontinued operations for the three months ended August 31, 2015 and August 31, 2014 was $0.000.

Total Earnings per Share, Diluted
Total diluted earnings per share for the three months ended August 31, 2015, was $0.096 compared to a total diluted loss per share of $0.327 for the same period in 2014.

CAPITAL EXPENDITURES

For the year ended August 31, 2015, the Company recorded net additions to exploration and evaluation assets from discontinued operations in the amount of $109,874 on the Matthews Lease located in Zavala County, Texas (August 31, 2014: $113,578).

The Company expects that capital expenditures will increase in future reporting periods as the Company seeks further opportunities and ventures of merit.

FINANCING ACTIVITIES

During the year ended August 31, 2015, shareholders' loans increased by $502,908 and loans payable increased by $196,998.

At August 31, 2015, the Company extinguished a Secured Convertible Note in the amount US$1,216,175 plus interest of US$121,618 though a Settlement and Exercise of Security Agreement, whereby effective August 31, 2015, the Company assigned and conveyed all of its rights, title and interest in and to Zavala Inc., and issued 10,000,000 shares of common stock of the Company.

During the year ended August 31, 2014, the Company issued 14,757,102 common shares as full settlement of shareholders' loans and interest in the aggregate amount of $1,180,570.

B. LIQUIDITY AND CAPITAL RESOURCES

Cash as of August 31, 2015 was $32,192 compared to cash of $103,215 at August 31, 2014. During the year ended August 31, 2015, the Company had received payments of certain obligations under Joint Development Agreements on the Matthews Lease of $378,577 (August 31, 2014: $340,811).

For the year ended August 31, 2015, the primary use of funds was related to exploration and evaluation asset expenditures incurred on the Company's Matthews lease located in Zavala County, Texas and administrative expenses. The Company's working capital deficiency at August 31, 2015 was $3,233,160 compared to a working capital deficiency of $3,489,237 at August 31, 2014.

Our current assets of $93,115 as at August 31, 2015, ($260,336 as of August 31, 2014) include the following items: cash $32,192 ($103,215 as of August 31, 2014); trade and other receivables $51,323 ($157,121 as of August 31, 2014); marketable securities $9,600 ($Nil as of August 31, 2014).

Our current liabilities of $3,326,275 as of August 31, 2015 ($3,749,573 as of August 31, 2014) include the following items: trade and other payables $1,630,809 ($1,483,775 as of August 31, 2014); shareholders' loans $339,588 ($981,834 as of August 31, 2014); loans payable of $1,063,105 as of August 31, 2015 ($Nil as of August 31, 2014); derivative liabilities of $281,210 ($1,094,392 as of August 31, 2014); deferred revenue of $Nil ($177,804 as of August 31, 2014); and provisions of $11,563 ($11,768 as of August 31, 2014).

At August 31, 2015, the Company had outstanding 7,378,560 common share purchase warrants exercisable at $0.10 per share. If any of these common share purchase warrants were exercised it would generate additional capital for us.

Management of the Company recognizes that cash flow from operations is not sufficient to develop its oil and gas operations or meet its working capital requirements. The Company has liquidity risk which necessitates the Company to obtain debt financing, enter into joint venture arrangements, or raise equity. There is no assurance the Company will be able to obtain the necessary financing in a timely manner.

The Company's past primary source of liquidity and capital resources has been proceeds from the issuance of share capital, shareholders' loans and cash flow from oil and gas operations.

If the Company issued additional common shares from treasury it would cause the current shareholders of the Company dilution.

Outlook and Capital Requirements
A part of our oil and gas development program, we anticipate further expenditures may be required to define reserves and extract hydrocarbons. Amounts expended on future exploration and development is dependent on the nature of future opportunities evaluated by us and cash calls from joint venture participants. Any expenditure which exceeds available cash will be required to be funded by additional share capital or debt issued by us, or by other means. The Company anticipates further expenditures to be made on future opportunities evaluated by the Company. Our long-term profitability will depend upon our ability to successfully implement our business plan.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

We do not engage in research and development activities.

D. TREND INFORMATION

Seasonality
Our oil and gas operations is not a seasonal business, but increased consumer demand or changes in supply in certain months of the year can influence the price of produced hydrocarbons, depending on the circumstances. Production from our oil and gas properties is the primary determinant for the volume of sales during the year.

There are a number of trends that have been developing in the oil and gas industry during the past several years that appear to be shaping the near future of the business.

The first trend is the volatility of commodity prices. Natural gas is a commodity influenced by factors within North America. A tight supply demand balance for natural gas causes significant elasticity in pricing, whereas higher than average storage levels tend to depress natural gas pricing. Drilling activity, weather, fuel switching and demand for electrical generation are all factors that affect the supply-demand balance. Changes to any of these or other factors create price volatility.

Crude oil is influenced by the world economy, Organization of the Petroleum Exporting Countries' ("OPEC") ability to adjust supply to world demand and weather. Political events also trigger large fluctuations in price levels. The current global financial crisis has reduced liquidity in financial markets thereby restricting access to financing and has caused significant volatility to commodity prices. Petroleum prices are expected to remain volatile for at least the near term as a result of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, OPEC actions and the ongoing global credit and liquidity concerns.

The impact on the oil and gas industry from commodity price volatility is significant. During periods of high prices, producers generate sufficient cash flows to conduct active exploration programs without external capital. Increased commodity prices frequently translate into very busy periods for service suppliers triggering premium costs for their services. Purchasing land and properties similarly increase in price during these periods. During low commodity price periods, acquisition costs drop, as do internally generated funds to spend on exploration and development activities. With decreased demand, the prices charged by the various service suppliers also decline.

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore effected by the Canadian/U.S. dollar exchange rate, which will fluctuate over time. Material increases in the value of the Canadian dollar may negatively impact production revenues from Canadian producers. Such increases may also negatively impact the future value of such entities' reserves as determined by independent evaluators. In recent years, the Canadian dollar had increased materially in value against the United States dollar although the Canadian dollar has recently decreased materially from such levels.

A trend within the Canadian oil and gas industry is the "renewal" of private and small junior oil and gas companies starting up business. These companies often have experienced management teams from previous industry organizations that have disappeared as a part of the ongoing industry consolidation. Many are able to raise capital and recruit well qualified personnel. To the extent that this trend continues, we will have to compete with these companies and others to attract qualified personnel.

Another trend currently affecting the oil and gas industry is the impact on capital markets caused by investor uncertainty in the domestic and global economy. Market events and conditions in recent years including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions have caused significant volatility to commodity prices and significantly to oil and gas prices which have deteriorated substantially. Some oil and gas companies leveraged to higher oil and gas prices cannot service their debt from the reduced cash flow resulting from lower prices and banks and other creditors have demanded repayment of loans. Lower values commensurate with the lower oil and gas pricing may make it unachievable to ensure repayment of such loans causing further hardship on lenders. These conditions contribute to a loss of confidence in the domestic and global credit and financial markets and the oil and gas industry.

E. OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes of financial condition, revenues, or expenses, results of operations, liquidity, capital expenditures or capital resources, which individually or in the aggregate are material to our investors.

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table illustrates the contractual maturities of financial liabilities:

August 31, 2015	**Payments Due by Period**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and others payables	$ 1,630,809	$ 1,630,809	-	-	-
Shareholders' loans (1)	339,588	339,588	-	-	-
Loans payable (1)	1,063,105	1,063,105	-	-	-
Total	$ 3,033,502	$ 3,033,502	-	-	-

(1) Translated at current exchange rate.

SECURED NOTE PAYABLE AND SHAREHOLDERS' LOANS

Secured Note Payable

As at August 31, 2014, the Company exchanged a secured note payable to Benchmark with a carrying value of $1,322,347 (US$1,216,175) for a secured convertible promissory note payable to Benchmark with a face value of $1,322,347 (US$1,216,175) (the "Note"). The Note had an interest rate of 10%. The Note was due on the earliest to occur of: (a) August 31, 2015; (b) the closing of any subsequent financing or series of financings by the Company that results in gross proceeds of an aggregate amount equal to or greater than US$4,400,000, excluding conversion of any existing debt into equity; (c) the date of a sale by the Company of all of the shares in the capital stock of Zavala Inc. held by the Company from time to time; (d) the closing of a merger, reorganization, take-over or other business combination which results in a change of control of the Company or Zavala Inc.; or (e) an event of default. The Note was secured by all of the assets of the Company and Zavala Inc. Benchmark had the option at any time while the Note was outstanding to convert any unpaid principal and accrued interest into conversion units

The Company had accounted for this transaction as an exchange of debt instruments. Under IAS 39 "Financial Instruments: Recognition and Measurement", an exchange between an existing borrower and lender of debt instruments with substantially different terms or substantial modification of the terms of an existing financial liability of part thereof is accounted for as an extinguishment. Since the new debt instrument had a conversion option, the terms were considered substantially different and therefore gave rise to extinguishment accounting. Further, the Company analyzed the conversion unit under IAS 39 and determined that it meets the definition of an embedded derivative. Since both components of the Conversion Unit (the common share component and warrant component) contain a variable exercise/conversion price, the Conversion Unit meets the definition of a financial liability under IAS 32 "Financial Instruments: Presentation". As a result, the Conversion Unit is a derivative liability that requires fair value measurement each period.

As at August 31, 2014, the Company allocated the old note first to the derivative component at its fair value with the residual allocated to the host debt contract, as follows:

	Allocation CDN$
Secured promissory note (old debt instrument)	$ 1,322,347
Derivative liability (Conversion Unit)	(4,000,100)
Loss on exchange of debt instruments	2,677,753
	$ -

The Note was being accreted up to its face value of $1,322,347 (US$1,216,175) over the life of Note based on an effective interest rate. For the year ended August 31, 2015, the Company recorded interest on the Note of $154,179 (August 31, 2014: $104,237).

In accordance with the terms of the Note and the General Security Agreement (the "Loan Agreements") the Company had granted and conveyed to Benchmark a first priority security interest in the Company and Zavala Inc., prior and superior to the rights of all third parties existing on or arising after the date of such Loan Agreements, subject to the Permitted Liens.

At August 31, 2015, the Company was unable to pay the Note CDN$1,608,149 plus interest of CDN$154,179, totaling CDN$1,762,328, which constituted an event of default pursuant to the terms of the Loan Agreements. Benchmark, having made demand for payment of all amounts owed to it under the Note, gave notice to the Company that it intended to exercise its security on the Company's assets.

In an effort to avoid further costs, the Company and Benchmark entered into a Settlement and Exercise of Security Agreement effective August 31, 2015, with the following terms:

1. Effective August 31, 2015, the Company assigns and conveys to Benchmark all of its rights, title and interest in and to Zavala Inc., including but not limited to all of the issued and outstanding common shares of Zavala Inc.; and
2. Issuance of 10,000,000 shares of common stock of the Company.

As a result the Company's extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 (Note 16 a).

The following table presents the effect of the extinguishment of the Note on the consolidated financial statements of the Company:

	August 31, 2015
Secured note payable	$ 1,608,149
Interest payable	154,179
Net assets and liabilities of Zavala Inc. (Note 16 a Note on the consolidated financial statements of the Company)	(836,717)
Common shares (Note 12 a)	(925,611)
	$ -

Shareholder Loans
Effective August 30, 2014, the Company converted shareholders' loans and interest due in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,120 units in the capital of the Company at a price of $0.08 per unit. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017. The fair value of the units ($2,516,505) was allocated to common shares $1,715,426 and warrants $801,079 based on their relative fair values and $1,335,935 was recorded as loss on settlement of debt. The original terms of the debt did not include settlement by the issuance of equity instruments.

Accounting Considerations
The Company has accounted for this transaction as an extinguishment of debt instruments for equity instruments under the guidance of IFRIC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments". IFRIC 19 addresses the accounting of when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It states that if a debtor issues equity instruments to a creditor to extinguish all or part of a financial liability, those equity instruments are 'consideration paid' in accordance with IAS 39.41. Accordingly, the debtor should derecognise the financial liability fully or partly. IFRIC 19 further states that the debtor recognises in profit or loss the difference between the carrying amount of the financial liability (or part) extinguished and the fair value of the equity instruments issued. As result, the Company recorded a loss on extinguishment in the amount of $1,335,935 in profit and loss which is the difference of the fair value of the equity instruments ($2,516,505) and the carrying value of the debt instruments ($1,180,570).

The warrant component was valued using a Binomial Lattice model whereas the fair value of the common share component was based on the current market value of the company's stock. The fair value of the conversion unit ($2,516,505) was allocated to the common stock component ($1,715,426) and warrant component ($801,079) based on their relative fair values. Significant assumptions utilized in the Binomial Lattice process are as follows for the warrant component of the conversion unit as of August 30, 2014:

	August 30, 2014
Market value on valuation date	$ 0.16
Contractual exercise rate	$ 0.092
Term (years)	5.00 Years
Expected market volatility	196.97 %
Risk free rate using zero coupon US Treasury Security rate	0.94 %

PROVISIONS

	Decommissioning Obligations (Note a)	Other Provisions (Note b)	Total Provisions
Balance, August 31, 2013	$ 119,742	$ 178,553	$ 298,295
Accretion expense	961	-	961
Change in estimates	7,225	-	7,225
Disposals	(26,426)	-	(26,426)
Reductions	-	(169,196)	(169,196)
Dissolution of subsidiary (Note 16 b)	(58,589)		(58,589)
Foreign exchange	4,630	(9,357)	(4,727)
Balance, August 31, 2014	$ 47,543	$ -	$ 47,543
Accretion expense	1,498	-	1,498
Change in estimates	(11,253)	-	(11,253)
Additions	98,357	-	98,357
Obligations settled	(205)	-	(205)
Deconsolidation of Zavala Inc.(Note 16 a)	(102,143)	-	(102,143)
Foreign exchange	(22,234)	-	(22,234)
Balance, August 31, 2015	**$ 11,563**	**$ -**	**$ 11,563**

a) Decommissioning Obligations

The Company's decommissioning obligations result from its ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities, and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of decommissioning obligations to be $11,563 as at August 31, 2015 (August 31, 2014: $47,543 ($11,768 current and $35,775 long term)) based on an undiscounted total future liability of $11,563 (August 31, 2014: $60,629). These payments are expected to be incurred during 2016.

b) Other Provisions

On January 28, 2014, a vendor of Dyami Energy received a summary judgment against Dyami Energy in the amount of $169,196 plus interest at a rate of 18% per annum from September 17, 2012 until paid, and legal fees of $21,178 and interest at a rate of 5% per annum from the date of judgment until paid (District Court of Zavala County, Texas Case No. 13-02-12941-ZCV). During 2013 the full amount of the provision was recorded together with legal fees and interest and transferred to trade and other payables.

DERIVATIVE LIABILITIES

At August 31, 2015, the Company recorded a net gain on derivative liabilities of $2,653,591 comprised of a loss on derivative warrant liabilities of $214,109 and a gain derivative unit liabilities of $2,867,700 (August 31, 2014: loss of $2,735,476 comprised of a loss on derivative warrant liabilities of $57,725 and a loss on derivative unit liabilities of $2,677,751).

Derivative Warrant Liabilities

The Company has warrants issued with an exercise price in US dollars which are different from the functional currency of the Company (Canadian Dollars) and accordingly the warrants are treated as a financial liability and the fair value movement during the period is recognized in the profit or loss.

The following table set out the changes in derivative warrant liabilities during the respective periods.

	Number of Warrants*	**Fair Value Assigned $**	**Average Exercise Price US $**
As at August 31, 2013	914,761	1,976,883	4.72
Warrants expired	(170,923)	(709,299)	(0.93)
Change in fair value estimates	-	57,723	-
As at August 31, 2014	743,838	1,325,307	3.74
Warrants expired	(613,350)	(1,258,206)	(4.66)
Change in fair value estimates	-	214,109	
As at August 31, 2015	**130,488**	**281,210**	**4.66**

* Reflects the August 25, 2014 one-for-ten consolidation

On August 31, 2014 170,923 warrants exercisable at US$5.00 expired and the fair value measured using the Black-Scholes option pricing model of $709,299 was recorded as an increase to contributed surplus.

On April 13, 2015, 187,500 and 30,000 warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $535,542 was recorded as an increase to contributed surplus.

On July 20, 2015, 91,250 and 14,600 warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $194,409 was recorded as an increase to contributed surplus.

On August 7, 2015, 250,000 and 40,000 warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $528,255 was recorded as an increase to contributed surplus.

The following tables set out the number of derivative warrant liabilities outstanding as at August 31, 2015 and 2014, respectively:

Number of Warrants*	Exercise Price US ($)*	Expiry Date	Weighted Average Remaining Life (Years)	Fair Value CDN ($)
112,490	5.00	September 25, 2015(1)	0.07	220,640
17,998	2.50	September 25, 2015(1)	0.07	60,570
130,488			**0.07**	**281,210**

* Reflects the August 25, 2014 one-for-ten consolidation
(1) Current

Number of Warrants*	Exercise Price US ($)*	Expiry Date	Weighted Average Remaining Life (Years)	Fair Value CDN ($)
187,500	5.00	April 13, 2015 (1)	0.62	365,474
30,000	2.50	April 13, 2015(1)	0.62	99,420
91,250	5.00	July 20, 2015(1)	0.88	133,431
14,600	2.50	July 20, 2015(1)	0.88	35,915
250,000	5.00	August 7, 2015(1)	0.93	365,964
40,000	2.50	August 7, 2015(1)	0.93	94,188
112,490	5.00	September 25, 2015	1.07	181,178
17,998	2.50	September 25, 2015	1.07	49,737
743,838			0.70	1,325,307

* Reflects the August 25, 2014 one-for-ten consolidation
(1) Current

Derivative Unit Liabilities

The following tables summarize the components of the Company's derivative liabilities reflected in US Dollars and linked common shares as at August 31, 2015 and 2014:

	August 31, 2015		August 31, 2014	
The financings giving rise to derivative financial instruments	Indexed Shares	Fair Values $CDN	Indexed Shares	Fair Values $CDN
Conversion unit (1 common share and 1 common share purchase warrant)	-	-	15,202,188	(4,000,100)

Effective August 31, 2015, the Company entered into a Settlement and Exercise of Security Agreement and extinguished the Note and its underlying derivative financial instruments. At August 31, 2014 the Company issued a face value $1,322,347 (US$1,216,175) Secured Convertible Promissory Note which gave rise to a derivative financial instrument (the "Note"). The Note had embodied certain terms and conditions that were not clearly and closely related to the host debt agreement in terms of economic risks and characteristics and met the definition of a financial liability under IAS 32 "Financial Instruments: Presentation". These terms and conditions consisted of a conversion unit which was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to acquire a common share of the Company at a price equal to a 15% premium to the price of the common share acquired under the conversion unit (see Note 9 to the consolidated financial statements).

Accounting principles provided in IAS 32 and IAS 39 required derivative financial instruments to be classified in liabilities and carried at fair value with changes recorded in profit and loss. The Company had selected the Monte Carlo Simulations valuation technique to fair value the common share component of the conversion unit because it believed that this technique was reflective of significant assumption types, and ranges of assumption inputs, that market participants would likely consider in transactions involving common share components. Such assumptions included, among other inputs, interest risk assumptions, credit risk assumptions and redemption behaviors in addition to traditional inputs for option models such as market trading volatility and risk free rates.

The Company had selected the Binomial Lattice model to fair value the warrant component of the conversion unit because it believed this technique is reflective of significant assumption types market participants would likely consider in transactions involving warrants.

Significant inputs and results arising from the Monte Carlo Simulations process were as follows for the common share component contained in the conversion unit:

	August 31, 2014
Underlying price on valuation date*	$ 0.3090
Contractual conversion rate	$ 0.08
Contractual term to maturity	1.00 Years
Implied expected term to maturity	0.613 Years
Market volatility:	
Range of volatilities	78.41% - 269.09%
Equivalent volatility	181.25%
Contractual interest rate	10.0%
Equivalent market risk adjusted interest rate	10.00%
Equivalent credit risk adjusted yield	3.45%

*The underlying price of the common share component of the conversion unit was the sum of the market price on the valuation date and the fair value of the warrant component derived from the binomial lattice model.

Significant assumptions utilized in the Binomial Lattice process are as follows for the warrant component of the conversion unit was as follows:

	August 31, 2014
Market value on valuation date	$ 0.16
Contractual exercise rate	$ 0.092
Term (years)	5.00 Years
Expected market volatility	179.21%
Risk free rate using zero coupon US Treasury Security rate	1.63%

G. SAFE HARBOR

Certain statements in Sections 5.E and 5.F of this Annual Report may constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plans", "expects", "estimates", "budgets", "intends", "anticipates", "believes", "projects", "indicates", "targets", "objective", "could", "may", or other similar words. The forward-looking statements are subject to known and unknown risks and uncertainties and other factors that may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Readers should not place undue reliance on any forward-looking statement and should recognize that the statements are predictions of future results, which may not occur as anticipated.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth the names of all of our directors and executive officers as of the date of the filing of this Annual Report, with each position and office held by them in our Company, and the period of their service as a director or as an officer.

Name	Position with the Company	Date First Elected as Director
James Cassina	President, Chief Executive Officer, Chief Financial Officer and Director	February 9, 2010
Milton Klyman	Director	November 15, 1996
John Budden	Director	December 22, 2015

All of our directors' serve until our next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with our Articles or Bylaws. Subject to the terms of their employment agreements, if any, executive officers are appointed by the Board of Directors to serve until the earlier of their resignation or removal, with or without cause by the directors. James Cassina, our sole executive officer, devotes approximately 85% of his work time to his duties as an officer and director.

There are no family relationships between any of our directors or executive officers. There are no arrangements or understandings between any two or more directors or executive officers.

Mr. Cassina has been an officer since June 18, 2010 a director of ours since February 9, 2010. Mr. Cassina is the President of Eagleford Energy, Zavala Inc. our Nevada subsidiary. As Chairman of Assure Energy, Inc. ("Assure") (OTCBB: ASUR), an oil and gas exploration and production company, Mr. Cassina led Assure's merger in September 2005 with Geocan Energy Inc. (TSX: GCA) ("Geocan"), an oil and gas company which then grew to daily production of over 3,700 barrels of oil or gas equivalents. Mr. Cassina thereafter served as a Director of Geocan and later Chairperson of its Board appointed Special Advisory Committee formed to seek strategic alternatives to enhance shareholder value. Subsequently Geocan merged with Arsenal Energy Inc. in October 2008.

Mr. Milton Klyman has been a director of ours since November 15, 1996. Mr. Klyman was also our Treasurer from December 31, 2003 to December 28, 2007. From February 27, 2009 to present, Mr. Klyman has been a director of 1354166 Alberta Ltd., our Alberta subsidiary. Mr. Klyman is a self-employed financial consultant and has been a Chartered Accountant since 1952. Mr. Klyman is a Life Member of the Canadian Institute of Chartered Accountants. Mr. Klyman serves as a director on the board of Western Troy Capital Resources Inc.

Mr. John Budden has been a director of ours since December 22, 2015. Mr. Budden has over 50 years of diverse, domestic and international investment experience. He co-founded Rabin Budden Partners in the 1980's with Ted Rabin and in 1989 was appointed President and Chief Executive Officer of Dynamic Fund Management. Since 1992, Mr. Budden's Ottawa/Boston based consulting practice has advised major international financial services companies on mergers and acquisitions, strategic alliances and emerging trends. Over the years, he has introduced a select group of great core and alternative investment managers to major pensions, endowments and family offices.

B. COMPENSATION

Executive Compensation

The following table presents a summary of all annual and long-term compensation paid or accrued by us including our subsidiaries, for services rendered to us by our executive officers and directors in any capacity for the year ended August 31, 2015.

Summary Compensation Table (CDN$)

Name and Principal Position	Year	Salary[1] ($)	Option Based Awards[2] ($)	All Other Compensation[3] ($)	Total Compensation ($)
James Cassina, Chief Executive Officer, President and Director	2015	$ 150,000	$ 28,173	$ 1,000	$ 179,173
Milton Klyman, Director	2015	$ -	$ 28,173	$ 1,100	$ 29,273
Colin McNeil, Director[4]	2015	$ -	$ 28,173	$ 1,100	$ 29,273

(1) Management fees.
(2) These amounts represent the value of stock options granted. The fair value of the option grated is estimated on the date of grant using the Black Scholes option pricing model taking into account the following assumptions: (i) risk free interest rate (%); (ii) expected life (years); (iii) expected volatility (%). This is consistent with the accounting values used in the Company's consolidated financial statements. The dollar amount in the column represents the total value ascribed to the stock options.

(3) Accrued on account of directors fees at a rate of $100 per meeting.
(4) Mr. McNeil resigned as a director of the Company on December 22, 2015.

Outstanding Option-Based Awards
The following table sets forth the outstanding option-based awards for the Company held by executive officers and directors at August 31, 2015.

	Option-based Awards (CDN$)			
Name	**Number of Securities underlying unexercised options (#) (1)(2)**	**Option exercise price**	**Option expiration date**	**Value of in-the-money options (3) (4)**
James Cassina,				
Chief Executive Officer,	250,000	$ 0.12	November 11, 2019	$ -
President and Director	20,000	$ 1.60	February 28, 2017	$ -
Milton Klyman,	250,000	$ 0.12	November 11, 2019	$ -
Director	20,000	$ 1.60	February 28, 2017	$ -
Colin McNeil,	250,000	$ 0.12	November 11, 2019	$ -
Director (5)	20,000	$ 1.60	February 28, 2017	$ -

(1) On March 1, 2012, the Company granted options to purchase 60,000 common shares to directors. These options are exercisable at $1.60 per share, vest immediately and expire on February 28, 2017.
(2) On November 12, 2014 the Company granted options to purchase 750,000 common shares to directors. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019.
(3) Calculated using the closing price of the Company's common shares of the OTCQB on August 31, 2015 of US$0.06 and subtracting the exercise price of in-the-money stock options.
(4) Converted to Canadian dollars using the Bank of Canada noon exchange rate on August 31, 2015.
(5) Mr. McNeil resigned as a director of the Company on December 22, 2015.

Compensation Discussion and Analysis

Objective of the Compensation Program

The objectives of the Company's compensation program are to attract, hold and inspire performance of its Named Executive Officers ("NEOs") of a quality and nature that will enhance the sustainable profitability and growth of the Company. The Company views it as an important objective of the Company's compensation program to ensure staff retention.

The Compensation Review Process

To determine compensation payable, the compensation committee of the Company (the "**Compensation Committee**") determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the NEOs of the Company while taking into account the financial and other resources of the Company.

The Company's Compensation Committee is comprised of Milton Klyman (Chair) and John Budden. The Compensation Committee is comprised entirely of independent directors. Compensation is determined in the context of our strategic plan, our growth, shareholder returns and other achievements and considered in the context of position descriptions, goals and the performance of each NEO. With respect to directors' compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each committee, the board chair and the chair of each board committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to us. The compensation of directors, the CEO and executive officers of competitors are considered, to the extent publicly available, in determining compensation and the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

Elements of Executive Compensation

The Company's NEO compensation program is based on the objectives of: (a) recruiting and retaining the executives critical to the success of the Company; (b) providing fair and competitive compensation; (c) balancing the interests of management and shareholders of the Company; and (d) rewarding performance, on the basis of both individual and corporate performance.

For the financial year ended August 31, 2015, the Company's NEO compensation program consisted of the following elements:

(a) a management fee (the "**Short-Term Incentive**").

(b) a long-term equity compensation consisting of stock options granted under the Company's stock incentive plan (**"Long-Term Incentive"**).

The specific rationale and design of each of these elements are outlined in detail below.

Short-Term Incentive

Salaries form an essential element of the Company's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. The base salary provides an immediate cash incentive for the Named Executive Officers. The Compensation Committee and the Board review salaries at least annually.

Base salary/management fees of the Named Executive Officers is set by the Compensation Committee on the basis of the applicable officer’s responsibilities, experience and past performance. In determining the base salary to be paid to a particular Named Executive Officer, the Compensation Committee considers the particular responsibilities related to the position, the experience level of the officer, and his or her past performance at the Company and the current financial position of the Company.

Long-Term Incentive

The granting of stock options is a variable component of compensation intended to reward the Company's Named Executive Officers for their success in achieving sustained, long-term profitability and increases in stock value. Stock options may be provided to enhance the Named Executive Officers motivation to achieve long-term growth of the Company and increases in shareholder value. The Company provides long-term incentive compensation through its stock option plan. The Compensation Committee recommends the granting of stock options from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of stock options already outstanding and overall market conditions. The Compensation Committee views the granting of stock options as a means of promoting the success of the Company and higher returns to its shareholders. The Board grants stock options after reviewing recommendations made by the Compensation Committee.

Stock Option Plan

The Company’s Amended Stock Option Plan (the "Plan") was adopted by the board of directors on January 20, 2012 and approved by a majority of our shareholders voting at the Annual and Special Meeting held on February 24, 2012. The Plan was adopted in order that we may be able to provide incentives for directors, officers, employees, consultants and other persons (an "Eligible Individual") to participate in our growth and development by providing us with the opportunity through share options to acquire an ownership interest in us. Directors and officers currently are not remunerated for their services except as stated in "Executive Compensation" above.

The maximum number of common shares which may be set aside for issue under the Plan is an amount not to exceed 20% of the total shares issued and outstanding of the Company as of the date of each Option grant provided that the board has the right, from time to time, to increase such number subject to the approval of our shareholders and any relevant stock exchange or other regulatory authority. Any common shares subject to an option, which are not exercised, will be available for subsequent grant under the Plan. The option price of any common shares is to be determined by the Board in its sole discretion.

Options granted under the Plan may be exercised during a period no exceeding five years, subject to earlier termination upon the optionee ceasing to be an Eligible Individual, or, in accordance with the terms of the grant of the option. The options are non-transferable and non-assignable except between an Eligible Individual and a related corporation controlled by such Eligible Individual upon the consent of the board of directors. The Plan contains provisions for adjustment in the number of shares issuable there under in the event of subdivision, consolidation, reclassification, reorganization or change in the number of common shares, a merger or other relevant change in the Company's capitalization. The board of directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time. The Company does not have any other long-term incentive plans, including any supplemental executive retirement plans.

Overview of How the Compensation Program Fits with Compensation Goals

The compensation package is designed to meet the goal of attracting, holding and motivating key talent in a highly competitive oil and gas exploration environment through salary and providing an opportunity to participate in the Company's growth through stock options. Through the grant of stock options, if the price of the Company shares increases over time, both the Named Executive Officer and shareholders will benefit.

Incentive Plan Awards

At August 31, 2015 the Company has outstanding 750,000 stock options exercisable at $0.12 until November 19, 2019 and 60,000 stock options exercisable at $1.60 until February 28, 2017 to Named Executive Officers and directors.

Pension Plan Benefits

The Company does not currently provide pension plan benefits to its Named Executive Officers.

Termination and Change of Control Benefits

The Company does not currently have executive employment agreements in place with any of its Named Executive Officers.

The Company has no compensatory plan, contract or arrangement where a named executive officer or director is entitled to receive compensation in the event of resignation, retirement, termination, change of control or a change in responsibilities following a change in control.

Director Compensation

Each director of the Company is entitled to receive the sum of $100 for each meeting of the directors, meeting of a committee of the directors or meeting of the shareholders attended. During the fiscal year ended August 31, 2015 no amount was paid by the Company with respect to such fees.

Retirement Policy for Directors

The Company does not have a retirement policy for its directors.

Directors' and Officers' Liability Insurance

The Company does not maintain directors' and officers' liability insurance.

C. BOARD PRACTICES

Board of Directors

The mandate of our board of directors, prescribed by the Business Corporations Act (Ontario), is to manage or supervise the management of our business and affairs and to act with a view to our best interests. In doing so, the board oversees the management of our affairs directly and through its committees.

The term of Mr. Klyman as a director began on August 10, 2000. Mr. Cassina was appointed as a director on February 9, 2010, and Mr. Budden who was appointed on December 22, 2015. Our directors' serve until our next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with our Articles or Bylaws. Our sole executive officer was appointed by our Board of Directors to serve until the earlier of his resignation or removal, with or without cause by the directors. There was no compensation paid by us to our directors during the fiscal year ended August 31, 2015 for their services in their capacity as directors or any compensation paid to committee members.

As of the date of this Annual Report our board of directors consists of three directors, two of which are "independent directors" in that they are "independent from management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors ability to act with a view to our best interests, other than interests and relationships arising from their shareholding". The independent directors are Milton Klyman and John Budden. It is our practice to attempt to maintain a diversity of professional and personal experience among our directors.

The independent directors of the Company do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Company holds meetings as required, at which the opinions of the independent directors are sought and duly acted upon for all material matters relating to the Company.

Directorships

The following directors of ours are directors of other Canadian or United States reporting issuers as follows:

Milton Klyman Western Troy Capital Resources Inc.

Board and Committee Meetings

The board of directors has met at least once annually or otherwise as circumstances warrant to review our business operations, corporate governance and financial results. The table below reflects the attendance of each director of ours at each Board and committee meeting of the Board during the fiscal year ended August 31, 2015.

Name	Board of Directors Meetings	Audit Committee Meetings	Compensation Committee Meetings	Petroleum and Natural Gas Committee Meetings	Disclosure Committee Meetings
Milton Klyman	5	4	1	1	Nil
James Cassina	5	4	0	1	Nil
Colin McNeil(1)	5	4	1	1	Nil

(1) Mr. McNeil resigned as a director of the Company on December 22, 2015.

Board Mandate

The Board assumes responsibility for stewardship of the Company, including overseeing all of the operation of the business, supervising management and setting milestones for the Company. The Board reviews the statements of responsibilities for the Company including, but not limited to, the code of ethics and expectations for business conduct.

The Board approves all significant decisions that affect the Company and its subsidiaries and sets specific milestones towards which management directs their efforts.

The Board ensures, at least annually, that there are long-term goals and a strategic planning process in place for the Company and participates with management directly or through its committees in developing and approving the mission of the business of the Company and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Company's business. The strategic planning process is carried out at each Board meeting where there are regularly reviewed specific milestones for the Company.

The strategic planning process incorporates identifying the main risks to the Company's objectives and ensuring that mitigation plans are in place to manage and minimize these risks. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent practicable. The Board appoints senior management.

The Company adheres to regulatory requirements with respect to the timeliness and content of its disclosure. The Board approves all of the Company's major communications, including annual and quarterly reports and press releases. The Chief Executive Officer authorizes the issuance of news releases. The Chief Executive Officer is generally the only individual authorized to communicate with analysts, the news media and investors about information concerning the Company.

The Board and the audit committee of the Company (the **"Audit Committee"**) examines the effectiveness of the Company's internal control processes and information systems.

The Board as a whole, given its small size, is involved in developing the Company's approach to corporate governance. The number of scheduled board meetings varies with circumstances. In addition, special meetings are called as necessary. The Chief Executive Officer establishes the agenda at each Board meeting and submits a draft to each director for their review and recommendation for items for inclusion on the agenda. Each director has the ability to raise subjects that are not on the agenda at any board meeting. Meeting agendas and other materials to be reviewed and/or discussed for action by the Board are distributed to directors in time for review prior to each meeting. Board members have full and free access to senior management and employees of the Company.

Position Descriptions

The Board has not developed written position descriptions for the Chairman of the Board or the Chief Executive Officer. The Board is currently of the view that the respective corporate governance roles of the Board and management, as represented by the Chief Executive Officer, are clear and that the limits to management's responsibility and authority are well-defined.

Each of the Audit Committee, Compensation Committee, Disclosure Committee and a Petroleum and Natural Gas Committee has a chair and a mandate.

Orientation and Continuing Education

We have developed an orientation program for new directors including a director's manual ("Director's Manual") which contains information regarding the roles and responsibilities of the board, each board committee, the board chair, the chair of each board committee and our president. The Director's Manual contains information regarding its organizational structure, governance policies including the Board Mandate and each Board committee charter, and our code of business conduct and ethics. The Director's Manual is updated as our business, governance documents and policies change. We update and inform the board regarding corporate developments and changes in legal, regulatory and industry requirements affecting us.

Ethical Business Conduct

We have adopted a written code of business conduct and ethics (the "**Code**") for our directors, officers and employees. The board encourages following the Code by making it widely available. It is distributed to directors in the Director's Manual and to officers, employees and consultants at the commencement of their employment or consultancy. The Code reminds those engaged in service to us that they are required to report perceived or actual violations of the law, violations of our policies, dangers to health, safety and the environment, risks to our property, and accounting or auditing irregularities to the chair of the Audit Committee who is an independent director of ours. In addition, to requiring directors, officers and employees to abide by the Code, we encourage consultants, service providers and all parties who engage in business with us to contact the chair of the Audit Committee regarding any perceived and all actual breaches by our directors, officers and employees of the Code. The chair of our Audit Committee is responsible for investigating complaints, presenting complaints to the applicable board committee or the board as a whole, and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the chair of our Audit Committee will advise the complainant of the corrective action measures that have been taken or advise the complainant that the complaint has not been substantiated. The Code prohibits retaliation by us, our directors and management, against complainants who raise concerns in good faith and requires us to maintain the confidentiality of complainants to the greatest extent practical. Complainants may also submit their concerns anonymously in writing. In addition to the Code, we have an Audit Committee Charter and a Policy of Procedures for Disclosure Concerning Financial/Accounting Irregularities.

Since the beginning of our most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code. The board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The board is required by the Board Mandate to satisfy our CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Company. The board is responsible for reviewing departures from the Code, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. In addition, the board is responsible for responding to potential conflict of interest situations, particularly with respect to considering existing or proposed transactions and agreements in respect of which directors or executive officers advise they have a material interest. The Board Mandate requires that directors and executive officers disclose any interest and the extent, no matter how small, of their interest in any transaction or agreement with us, and that directors excuse themselves from both board deliberations and voting in respect of transactions in which they have an interest. By taking these steps the board strives to ensure that directors exercise independent judgment, unclouded by the relationships of the directors and executive officers to each other and us, in considering transactions and agreements in respect of which directors and executive officers have an interest.

Nomination of Directors
The Board has not appointed a nominating committee and does not believe that such a committee is warranted at the present time. The entire Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and officers. The Board generally looks for the nominee to have direct experience in the oil and gas business and significant public company experience. The nominee must not have a significant conflicting public company association.

Compensation
The Board determines director and executive officer compensation by recommendation of the Compensation Committee. The Company's Compensation Committee reviews the amounts and effectiveness of compensation. Each of the members of the Compensation Committee are independent. The Board reviews the adequacy and form of compensation and compares it to other companies of similar size and stage of development. There is no minimum share ownership requirement of directors.

The Compensation Committee generally convenes at least once annually to review director and officer compensation and status of stock options. The Compensation Committee also responds to requests from management and the Board to review recommendations of management for new senior employees and their compensation. The Compensation Committee has the power to approve and/or amend these recommendations.

The Company has felt no need to retain any compensation consultants or advisors at any time since the beginning of the Company's most recently completed financial year.

Committees of the Board
Our board of directors discharges its responsibilities directly and through committees of the board of directors, currently consisting of the Audit Committee, a compensation committee (the "**Compensation Committee**"), a disclosure committee (the "**Disclosure Committee**") and a petroleum and natural gas committee (the "**Petroleum and Natural Gas Committee**").

Each of the Audit Committee, Disclosure Committee and the Petroleum and Natural Gas Committee consists of a majority of independent directors, while the Compensation Committee consists of independent directors. Each Committee has a specific mandate and responsibilities, as reflected in the charters for each committee.

Audit Committee
The mandate of the Audit Committee is formalized in a written charter. The members of the Audit Committee are James Cassina, Milton Klyman (Chair) and John Budden. Based on his professional certification and experience, the board has determined that Milton Klyman is an Audit Committee Financial Expert and that James Cassina and John Budden are financially literate. The Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor our financial reporting process and control systems, review and appraise the audit activities of our independent auditors, financial and senior management, and the lines of communication among the independent auditors, financial and senior management, and the board of directors for financial reporting and control matters including investigating fraud, illegal acts or conflicts of interest.

Compensation Committee
The mandate of the Compensation Committee is formalized in a written charter. The members of the Compensation Committee are John Budden and Milton Klyman (Chair). The Compensation Committee is comprised entirely of independent directors. Compensation is determined in the context of our strategic plan, our growth, shareholder returns and other achievements and considered in the context of position descriptions, goals and the performance of each individual director and officer. With respect to directors' compensation, the Compensation Committee reviews the level and form of compensation received by the directors, members of each committee, the board chair and the chair of each board committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to us. The compensation of directors, the CEO, CFO and executive officers of competitors are considered, to the extent publicly available, in determining compensation and the Compensation Committee has the power to engage a compensation consultant or advisor to assist in determining appropriate compensation.

Disclosure Committee
The mandate of the Disclosure Committee is formalized in a written charter. The members of the Disclosure Committee are Milton Klyman, John Budden and James Cassina (Chair). The Committee's duties and responsibilities include, but are not limited to, review and revise our controls and other procedures ("Disclosure and Controls Procedures") to ensure that (i) information required by us to be disclosed to the applicable regulatory authorities and other written information that we will disclose to the public is reported accurately and on a timely basis, and (ii) such information is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure; assist in documenting and monitoring the integrity and evaluating the effectiveness of the Disclosure and Control Procedures; the identification and disclosure of material information about us, the accuracy completeness and timeliness of our financial reports and all communications with the investing public are timely, factual and accurate and are conducted in accordance with applicable legal and regulatory requirements.

Petroleum and Natural Gas Committee
The members of the Petroleum and Natural Gas Committee are Milton Klyman, James Cassina (Chair) and John Budden. The Petroleum and Natural Gas Committee has the responsibility of meeting with the independent engineering firms commissioned to conduct the reserves evaluation on our oil and natural gas assets and to discuss the results of such evaluation with each of the independent engineers and management. Specifically, the Petroleum and Natural Gas Committee's responsibilities include, but are not limited to, a review of management's recommendations for the appointment of independent engineers, review of the independent engineering reports and considering the principal assumptions upon which such reports are based, appraisal of the expertise of the independent engineering firms retained to evaluate our reserves, review of the scope and methodology of the independent engineers' evaluations, reviewing any problems experienced by the independent engineers in preparing the reserve evaluation, including any restrictions imposed by management or significant issues on which there was a disagreement with management and a review of reserve additions and revisions which occur from one report to the next.

Assessments
The board assesses, on an annual basis, the contributions of the board as a whole, the Audit Committee and each of the individual directors, in order to determine whether each is functioning effectively. The board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees. The Audit Committee will annually review the Audit Committee Charter and recommend, if any, revisions to the board as necessary.

Relevant Education and Experience of Audit Committee Members
Milton Klyman is the Chairman of the Audit Committee. He is a self-employed financial consultant and has been a Chartered Accountant since 1952. Milton Klyman is a Life Member of the Institute of Chartered Accountants of Ontario, a Life member of the Canadian Institute of Mining Metallurgy and Petroleum and a Fellow of the Institute of Chartered Secretaries and Administrators.

James Cassina is a consultant in business development, mergers and acquisitions and corporate finance. James Cassina has served as a director and held various executive positions with public companies.

John Budden has over 50 years of diverse, domestic and international investment experience. Mr Budden was the President and CEO of Dynamic Fund Management and also was as a Director of Dundee Capital Inc. and Goodman & Company.

Audit Committee Charter

- Our Audit Committee Charter (the "Charter") has been adopted by our board of directors. The Audit Committee of the board (the "Committee") will review and reassess this charter annually and recommend any proposed changes to the board for approval. The Audit Committee's primary duties and responsibilities are to:

- Oversee (i) the integrity of our financial statements; (ii) our compliance with legal and regulatory requirements; and (iii) the independent auditors' qualifications and independence.

- Serve as an independent and objective party to monitor our financial reporting processes and internal control systems.

- Review and appraise the audit activities of our independent auditors and the internal auditing functions.

- Provide open lines of communication among the independent auditors, financial and senior management, and the board for financial reporting and control matters.

Role and Independence: Organization
The Committee assists the board on fulfilling its responsibility for oversight of the quality and integrity of our accounting, auditing, internal control and financial reporting practices. It may also have such other duties as may from time to time be assigned to it by the board.

The Audit Committee is to be comprised of at least three directors. The majority of the Committee members must be independent from management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members shall, to the satisfaction of the board, be financially literate (i.e. will have the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto), and at least one member shall have accounting or related financial management expertise to qualify as "financially sophisticated". A person will qualify as "financially sophisticated" if an individual who possesses the following attributes:

- an understanding of financial statements and generally accepted accounting principles;

- an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more persons engaged in such activities;

- an understanding of internal controls and procedures for financial reporting; and

- an understanding of audit committee functions.

John Budden and Milton Klyman are "independent" as defined by the Securities and Exchange Commission, and the Board has determined that Milton Klyman is an "audit committee financial expert" as defined in Item 401(h) of Regulation S-K promulgated by the Securities and Exchange Commission.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders. Each member of the Committee serves during the pleasure of the Board and, in any event, only so long as he or she is a director.

One member of the Committee shall be appointed as chair. The chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings and making regular reports to the Board. The chair will also maintain regular liaison with the CEO, CFO, and the lead independent audit partner.

Responsibilities and Powers
Although the Committee may wish to consider other duties from time to time, the general recurring activities of the Committee in carrying out its oversight role are described below.

- Annual review and revision of the Charter as necessary with the approval of the board.

- Review and obtain from the independent auditors a formal written statement delineating all relationships between the auditor and us, consistent with Independence Standards Board Standard 1.

- Recommending to the board the independent auditors to be retained (or nominated for shareholder approval) to audit our financial statements. Such auditors are ultimately accountable to the board and the Committee, as representatives of the shareholders.

- Evaluating, together with the board and management, the performance of the independent auditors and, where appropriate, replacing such auditors.

- Obtaining annually from the independent auditors a formal written statement describing all relationships between the auditors and us. The Committee shall actively engage in a dialogue with the independent auditors with respect to any relationship that may impact the objectivity and the independence of the auditors and shall take, or recommend that the board take, appropriate actions to oversee and satisfy itself as to the auditors' independence.

- Ensuring that the independent auditors are prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
  - Bookkeeping or other services related to our accounting records or consolidated financial statements;
  - Financial information systems design and implementation;
  - Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
  - Actuarial services;
  - Internal audit outsourcing services;
  - Management functions or human resources;
  - Broker or dealer, investment advisor or investment banking services;
  - Legal services and expert services unrelated to the audit; and
  - Any other services which the Public Company Accounting Oversight Board determines to be impermissible.

- Approving any permissible non-audit engagements of the independent auditors.

- Meeting with our auditors and management to review the scope of the proposed audit for the current year, and the audit procedures to be used, and to approve audit fees.

- Reviewing the audited consolidated financial statements and discussing them with management and the independent auditors. Consideration of the quality our accounting principles as applied in its financial reporting. Based on such review, the Committee shall make its recommendation to the Board as to the inclusion of our audited consolidated financial statement in our Annual Report to Shareholders.

- Discussing with management and the independent auditors the quality and adequacy of and compliance with our internal controls.

- Establishing procedures: (i) for receiving, handling and retaining of complaints received by us regarding accounting, internal controls, or auditing matters, and (ii) for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters.

- Review and discuss all related party transactions involving us.

- Engaging independent counsel and other advisors if the Committee determines that such advisors are necessary to assist the Committee in carrying out its duties.

- Publicly disclose the receipt of warning about any violations of corporate governance rules.

Authority
The Committee will have the authority to retain special legal, accounting or other experts for advice, consultation or special investigation. The Committee may request any officer or employee of ours, our outside legal counsel, or the independent auditor to attend a meeting of the Committee, or to meet with any member of, or consultants to, the Committee. The Committee will have full access to our books, records and facilities.

Meetings
The Committee shall meet at least yearly, or more frequently as the Committee considers necessary. Opportunities should be afforded periodically to the external auditor and to senior management to meet separately with the independent members of the Committee. Meetings may be with representatives of the independent auditors, and appropriate members of management, all either individually or collectively as may be required by the Chairman of the Committee.

The independent auditors will have direct access to the Committee at their own initiative.

The Chairman of the Committee will report periodically the Committee's findings and recommendations to the board of directors.

D. EMPLOYEES

As of August 31, 2015 and the date of the filing of this Annual Report we did not have any employees other than our sole executive officer.

E. SHARE OWNERSHIP

Our common shares are owned by Canadian residents, United States residents and residents of other countries. The only class of our securities, which is outstanding as of the date of the filing of this Annual Report, is common stock. All holders of our common stock have the same voting rights with respect to their ownership of our common stock.

The following table sets forth as of November 30, 2015, certain information with respect to the amount and nature of beneficial ownership of the common stock held by (i) each person known to our management to be the beneficial owner of more than 5% of our outstanding shares of common stock; (ii) each person who is a director or an executive officer of ours; and (iii) all directors and executive officers of ours, as a group. Shares of our common stock subject to options, warrants, or convertible securities currently exercisable or convertible or exercisable or convertible within 60 days of the date of filing of this Annual Report are deemed outstanding for computing the share ownership and percentage of the person holding such options, warrants, or convertible securities but are not deemed outstanding for computing the percentage of any other person.

Name and Owner	Identity	Amount and Nature of Beneficial Ownership of Common Stock [(1)]	Note	Percentage
Milton Klyman	Director	280,000	(2)	1.00%
John Budden	Director	-	-	-%
James Cassina	Officer/Director and Principal Shareholder	4,592,220	(3)	15.97%
Core Energy Enterprise Inc. [(4)]	Principal Shareholder	407,321	(5)	1.47%
All officers and directors as a group (4 persons)		5,279,541	(2) (3) (4) (5)	16.97%

(1) Unless otherwise indicated, the persons named have sole ownership, voting and investment power with respect to their stock, subject to applicable laws relative to rights of spouses. Percentage ownership is based on 27,671,541 shares of common stock outstanding as of the date of filing of this Annual Report.

(2) Includes 10,000 outstanding shares and 270,000 shares underlying 270,000 presently exercisable stock

(3) Includes 407,321 outstanding shares owned by Core Energy Enterprises Inc. Also includes 3,100,549 outstanding shares and 814,350 shares underlying 814,350 presently exercisable warrants and 270,000 shares underlying 270,000 presently exercisable stock options owned directly by James Cassina.

(4) James Cassina has voting and investment power with respect to the shares owned by Core Energy Enterprises Inc.

(5) Includes 407,321 outstanding shares.

As of the date of the filing of this Annual Report, to the knowledge of our management, there are no arrangements which, could at a subsequent date result in a change in control of us. As of such date, and except as disclosed herein, our management has no knowledge that we are owned or controlled directly or indirectly by another company or any foreign government.

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

There are 27,671,541 issued and outstanding shares of our common stock as of November 30, 2015. As of November 30, 2015, to the best of our knowledge, no persons hold directly or indirectly or exercise control or direction over, shares of our common stock carrying 5% or more of the voting rights attached to all issued and outstanding shares of the common stock except as stated under Item 6.E above or set out in the table below. The shares of our common stock, owned by our major shareholders have identical voting rights as those owned by our other shareholders.

Name	Amount and Nature of Beneficial Ownership of Common Stock	Note	Percentage
James Cassina	4,592,220	(1)	15.97%
Core Energy Enterprise Inc. (2)	407,321	(3)	1.47%
CEDE & Co	2,661,549		9.61%
Eternal Viceroy Limited	2,544,845	(4)	8.92%
Fieldston Traders Limited	2,731,096	(5)	9.51%
Galaxy Dragon Limited	2,295,926	(6)	8.07%
Lion City Capital Inc.	2,742,021	(7)	9.59%
Madera Inc.	2,730,187	(8)	9.57%
Terama Company Limited	2,215,087	(9)	7.80%
Tonbridge Financial Corp.	2,677,331	(10)	9.39%

(1) Includes 407,321 outstanding shares owned by Core Energy Enterprises Inc. Also includes 3,100,549 outstanding shares and 814,350 shares underlying 814,350 presently exercisable warrants and 270,000 shares underlying 270,000 presently exercisable stock options owned directly by James Cassina.

(2) James Cassina has voting and investment power with respect to the shares owned by Core Energy Enterprises Inc.

(3) Includes 407,321 outstanding shares.

(4) Includes 1,696,563 outstanding shares and 848,281 shares underlying 848,281 presently exercisable warrants.

(5) Includes 1,687,397 outstanding shares and 1,043,699 shares underlying 1,043,699 presently exercisable warrants.

(6) Includes 1,532,519 outstanding shares and 763,407 shares underlying 763,407 presently exercisable warrants.

(7) Includes 1,828,014 outstanding shares and 914,007 shares underlying 914,007 presently exercisable warrants.

(8) Includes 1,860,803 outstanding shares and 869,384 shares underlying 869,384 presently exercisable warrants.

(9) Includes 1,490,018 outstanding shares and 725,069 shares underlying 725,069 presently exercisable warrants.

(10) Includes 1,843,309 outstanding shares and 834,022 shares underlying 834,022 presently exercisable warrants.

The following table discloses the geographic distribution of the majority of the holders of record of our common stock as of date of November 30, 2015.

Country	Number of Shareholders	Number of Shares	Percentage of Shareholders	Percentage of Shares
Canada	1080	8,465,156	93.83%	30.59%
USA	44	4,294,435	3.82%	15.52%
All Other	27	14,911,930	2.35%	53.89%
Total	1,151	27,671,541	100.00%	100.00%

We are not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person. There are no arrangements known to us, the operation of which may at a subsequent date result in a change in the control of us.

B. RELATED PARTY TRANSACTIONS

The following transactions with individuals related to the Company arose in the normal course of business have been accounted for at the exchange amount being the amount agreed to by the related parties, which approximates the arm's length equivalent value.

Compensation of Key Management Personnel
The remuneration of directors and other members of key management personnel during the years ended were as follows:

	August 31, 2015	August 31, 2014	August 31, 2013
Short term employee benefits (1)	$ 150,000	$ 75,000	$ 75,000
Directors stock based compensation (2)	84,520	-	
	$ 234,520	$ 75,000	$ 75,000

The following balances owing to the President of the Company are included in trade and other payables and are unsecured, non-interest bearing and due on demand:

	August 31, 2015	August 31, 2014
Short term employee benefits (1)	$ 125,000	$ 281,250
	$ 125,000	$ 281,250

(1) During the year ended August 31, 2015 the Company accrued management fees for the President of the Company at a rate of $12,500 per month. On August 31, 2015, the President forgave $306,250 of management fees.
(2) On November 12, 2014, the Company granted options to purchase 750,000 common shares to three directors of the Company. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019 (see Note 12 d to the Consolidated Financial Statements).

As at August 31, 2015 the amount of directors' fees included in trade and other payables was $21,600 (August 31, 2014: $19,200).

As at August 31, 2015, the Company had a promissory note payable to the President of the Company of $10,000 (August 31, 2014: $Nil). For the year ended August 31, 2015, the Company recorded interest on a promissory note to the President of $838 (August 31, 2014: $24,162). As at August 31, 2015, included in trade and other payables is outstanding interest of $111,009 (August 31, 2014: $91,727). The note is due on demand and bears interest at 10% per annum. Interest is payable annually on the anniversary date of the note. Effective February 27, 2014, 651,904 common share purchase warrants expiring February 27, 2014, were exercised by the President of the Company at $0.35, for settlement of cash advances of $228,167 (Note 12 b (a)). On August 30, 2014, the Company issued 1,628,700 units at $0.08 per unit as full settlement of a promissory note payable to the President of US$120,000 (Note 12 b (c) and Note 10 to the Consolidated Financial Statements).

As at August 31, 2015, the Company had a note payable to Core Energy Enterprises Inc. ("Core") of $339,588 (US$249,250) (August 31, 2014: US$249,250). For the year ended August 31, 2015, the Company recorded interest on the promissory notes of $32,958 (August 31, 2014: $Nil). As at August 31, 2015, included in trade and other payables, is interest of $33,049 (August 31, 2014: $Nil). The note is due on demand and bears interest at 10% per annum. Interest is payable annually on the anniversary date of the note. During the year ended August 31, 2015, Zavala Inc. issued a note to Core in the amount US$279,053 and recorded interest on the note of $4,353 (Note 9 and Note 16 a, to the Consolidated Financial Statements). The President of the Company is a major shareholder, officer and a director of Core.

As at August 31, 2015, the Company had, loans payable of $196,998 to 1288131 Alberta Ltd. (August 31, 2014: $Nil). For the year ended August 31, 2015, the Company recorded interest on the loans payable of $15,619. At August 31, 2015, included in trade and other payables, is interest of $15,619 (August 31, 2014: $Nil). The loans are payable on demand and bear interest at 10% per annum. Colin McNeil a former director of the Company is also an officer, director and shareholder of 1288131 Alberta Ltd., (Note 17 to the Consolidated Financial Statements).

As at August 31, 2015, the Company had shareholders' loans payable of ($866,107) US$655,000. (August 31, 2014: US$655,000). For the year ended August 31, 2015 the Company recorded interest of $86,611 (August 31, 2014: $180,349) on the shareholders' loans. As at August 31, 2015, the Company received notice that the shareholders loans were assigned and the Company has reclassified the amounts to loans payable. At August 31, 2015, included in trade and other payables, is interest of $86,848 (August 31, 2014: $269). The loans are payable on demand and bear interest at 10% per annum. Interest is payable annually on the anniversary date of the loans. On August 30, 2014, the Company issued 13,128,420 units at $0.08 per unit as full settlement of shareholder loans payable of US$529,250, $250,000 and interest payable of $225,614 (Note 12 b (c), Note 9 and Note17 to the Consolidated Financial Statements).

Inter-Company Balances
As at August 31, 2015, the inter-company balance due to our wholly owned subsidiary 1354166 Alberta was $5,000. As of November 30, 2015, the inter-company balance due to 1354166 Alberta was $5,000.

C. INTERESTS OF EXPERTS AND COUNSEL

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

ITEM 8 FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

The Company's Audited Consolidated Financial Statements for the fiscal years ended August 31, 2015 and 2014 and the notes thereto required as part of this Annual Report are filed under Item 18 of this Annual Report.

Litigation

Except as discussed below there are no pending legal proceedings to which we or our subsidiaries are a party or of which any of our property is the subject. There are no legal proceedings to which any of the directors, officers or affiliates or any associate of any such directors, officers or affiliates of either our company or our subsidiary is a party or has a material interest adverse to us except for the following:

On or about September 30, 2014, Stratex filed a petition against Zavala Inc. in the District Court of Zavala County, Texas seeking breach of contract and actual damages of US$152,293 for Zavala Inc.'s alleged non-payment of its proportionate share of minimum royalties due under the Matthews Lease. Zavala Inc. disputed the claim citing $300,000 paid by us was to be credited against the minimum royalties which Stratex failed to do. We paid the US$152,293 under protest and filed a Response and Cross Notice of Default against Stratex (Cause No. 14-09-13290-ZCV).Effective March 31, 2015, we entered into a settlement with Stratex and Quadrant pursuant to which Stratex assigned all of its rights, title and interest in, to and under the Matthews Lease and the JDA, to us and Quadrant, and issued to us 1,333,333 common shares of Stratex as repayment of the disputed minimum royalty of US$152,293 and a further payment of US$25,000 was to be paid to the Company.

On August 13, 2015, the Company filed a petition against Stratex in the District Court of Harris County, Texas seeking breach of the settlement agreement dated March 31, 2015, for monies owed under the settlement agreement and unpaid production revenue of approximately US$44,000 in the aggregate plus damages. On December 4, 2015, the Company obtained a judgment against Stratex in the amount of $62,069.

On or about October 27, 2014, the Company filed a statement of claim in the Ontario Superior Court of Justice against Alan Gaines, a former director of the Company for breach of fiduciary duty to the Company relating to Gaines role in the Company contracting with Stratex (Court File No.: 65-14-514935). Effective March 25, 2015, the Company entered into a settlement agreement with Alan Gaines and received 1,200,000 common shares and 1,200,000 common share purchase warrants of Stratex exercisable at US$0.15 per common share expiring December 31, 2018.

Other Litigation
In February 2013, a vendor of Dyami Energy applied a lien on the Murphy #4 well and filed a claim in the District Court of Zavala County, Texas (Case No. 13-02-12941-ZCV) seeking payment of US$169,196 for services. Dyami Energy was disputing the amount on the basis of negligence by the vendor. On January 28, 2014 the vendor received a summary judgment against Dyami Energy in the amount of $169,196 plus interest at a rate of 18% per annum from September 17, 2012 until paid and legal fees of $21,178 plus interest at a rate of 5% per annum from the date of judgment until paid. The full amount of the provision had been recorded together with legal fees and interest. The provision, legal fees and interest were transferred to trade and other payables.

In May 2012, a vendor of Dyami Energy filed a claim in the District Court of Harris County, Texas seeking payment of US$64,866. Dyami Energy was disputing the amount charged due to faulty equipment. The full amount of the provision which was accrued in the prior year 2012 was reversed in 2013 as the vendor is no longer in good standing as a Texas corporation and the vendor's attorney filed in the District Court of Harris County, Texas a motion to withdraw as counsel.

In December 2011, a vendor of Dyami Energy filed a claim in the District Court of Harris County, (Case No. 2011-74035/Court: 113) seeking payment of US$62,800. Dyami Energy disputed the claim on the basis of excessive charges. In December 2013 an agreed final judgment in favor of the vendor was entered into court in the amount of $42,803 and post judgment interest at 5% per annum until paid in full.

Dividends
We have not paid any dividends on our common stock during the past five years. We do not intend to pay dividends on shares of common stock in the foreseeable future as we anticipate that our cash resources will be used to finance growth.

B. SIGNIFICANT CHANGES

There have been no significant changes that have occurred since the date of our annual financial statements included with this Annual Report except as disclosed in the Annual Report.

ITEM 9 THE OFFER AND LISTING

Common Shares
Our authorized capital consists of an unlimited number of common shares without par value, of which 27,671,541 were issued and outstanding as of November 30, 2015. All shares are initially issued in registered form. There are no restrictions on the transferability of our common shares imposed by our Articles of Amalgamation. Holders of our common shares are entitled to one vote for each common share held of record on all matters to be acted upon by our shareholders. Holders of common shares are entitled to receive such dividends as may be declared from time to time by our board of directors, in their discretion. In addition we are authorized to issue an unlimited number of preferred shares, with such rights, preferences and privileges as may be determined from time to time by our board of directors and consistent with our Articles of Amalgamation. There were no preferred shares outstanding at November 30, 2015.

Our common shares entitle their holders to: (i) vote at all meetings of our shareholders except meetings at which only holders of specified classes of shares are entitled to vote, having one vote per common share, (ii) receive dividends at the discretion of our board of directors; and (iii) receive our remaining property on liquidation, dissolution or winding up.

A. OFFER AND LISTING DETAILS

Our common stock became eligible for trading on October 22, 2009 on the Over the Counter Bulletin Board ("OTCBB") under the symbol ("EGNKF"). Following the amalgamation on November 30, 2009 with our wholly owned subsidiary 1406768 Ontario, we changed our name to Eagleford Energy Inc. and commenced trading under the symbol ("EFRDF"). Prior to our common stock being included on the OTCBB, our common stock had not publicly traded in the United States. We completed a 2-for-1 forward stock split, pursuant to which one (1) newly-issued share of the Company's common stock was issued to each holder of a share of common stock as of the close of business on March 16, 2012 and on August 31, 2014 we completed a 1-for-10 stock consolidation and following commenced trading under the symbol ("EGFDF").

The following table set forth the reported high and low bid prices for shares of our common stock on the OTCQB in US dollars for the periods indicated.

	Period	High (2)	Low(2)
Fiscal Year August 31, 2015	Year Ended August 31, 2015	$ 0.40	$ 0.01
Fiscal Year August 31, 2014	Year Ended August 31, 2014	$ 1.00	$ 0.20
Fiscal Year August 31, 2013	Year Ended August 31, 2013	$ 4.00	$ 0.10
Fiscal Year August 31, 2012	Year Ended August 31, 2012	$ 5.10	$ 1.00
Fiscal Year August 31, 2011	Year Ended August 31, 2011	$ 10.20	$ 3.50
Fiscal Year 2016 by Quarter	First Quarter ended 11/30/2015	$ 0.15	$ 0.05
Fiscal Year 2015 by Quarter	First Quarter ended 11/30/2014	$ 0.15	$ 0.10
	Second Quarter Ended 02/29/2015	$ 0.33	$ 0.03
	Third Quarter Ended 05/31/2015	$ 0.20	$ 0.05
	Fourth Quarter Ended 08/31/2015	$ 0.22	$ 0.047
Fiscal Year 2014 by Quarter	First Quarter ended 11/30/2013	$ 0.70	$ 0.20
	Second Quarter Ended 02/29/2014	$ 0.90	$ 0.20
	Third Quarter Ended 05/31/2014	$ 0.80	$ 0.30
	Fourth Quarter Ended 08/31/2014	$ 4.50	$ 0.30
Calendar Year 2015 by Month	June	$ 0.22	$ 0.05
	July	$ 0.14	$ 0.08
	August	$ 0.09	$ 0.02
	September	$ 0.15	$ 0.04
	October	$ 0.17	$ 0.05
	November	$ 0.05	$ 0.05

Notes.

(2) The closing price on the OTCQB for our common stock on November 30, 2015 was $0.05

(3) Adjusted for the 2-for-1 forward stock split on March 16, 2012 and the 1-for-10 stock consolidation on August 25, 2014.

There is currently only a limited public market for the common stock in the United States. There can be no assurance that a more active market will develop in the future.

B. PLAN OF DISTRIBUTION

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

C. MARKETS

See Item 9.A.

D. SELLING SHAREHOLDERS

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

E. DILUTION

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

F. EXPENSES OF THE ISSUE

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

ITEM 10 ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not Applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Certificate of Incorporation
We were incorporated under the Business Corporations Act (Ontario) on September 22, 1978 under the name Bonanza Red Lake Explorations Inc. The corporation number as assigned by Ontario is 396323.

Articles of Amendment dated January 14, 1985
By Articles of Amendment dated January 14, 1985, our Articles were amended as follows:

1. The minimum number of directors of the Company shall be 3 and the maximum number of directors of the Company shall be 10.

2. (a) Delete the existing objects clauses and provide that there are no restrictions on the business we may carry on or on the powers that we may exercise;

   (b) Delete the term "head office" where it appears in the articles and substitute therefor the term "registered office";

   (c) Delete the existing special provisions contained in the articles and substitute therefor the following:

The following special provisions shall be applicable to the Company:

Subject to the provisions of the Business Corporations Act, as amended or re-enacted from time to time, the directors may, without authorization of the shareholders:

(i) borrow money on the credit of the Company;

(ii) issue, re-issue, sell or pledge debt obligations of the Company;

(iii) give a guarantee on behalf of the Company to secure performance of an obligation of any person;

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Company owned or subsequently acquired, to secure any obligation of the Company; and

(v) by resolution, delegate any or all such powers to a director, a committee of directors or an officer of the Company.

3. (a) Provide that the Company is authorized to issue an unlimited number of shares;

   (b) Provide that the Company is authorized to issue an unlimited number of preference shares.

Articles of Amendment dated August 16, 2000

By Articles of Amendment dated August 16, 2000 our articles were amended to consolidate our issued and outstanding common shares on the basis on one common share for every three issued and outstanding common shares in our capital, and change our name from Bonanza Red Lake Explorations Inc. to Eugenic Corp.

Our Articles of Amendment state that there are no restrictions on the business that may carry on, but do not contain a stated purpose or objective.

Articles of Amalgamation dated November 30, 2009
By Articles of Amalgamation dated November 30, 2009 we amalgamated with our wholly owned subsidiary Eagleford Energy Inc., (formerly: 1406768 Ontario Inc.) and changed the entity's name to Eagleford Energy Inc.

Our Articles of Amalgamation state that there are no restrictions on the business that may carry on or on the powers the Company may exercise.

We are authorized to issue an unlimited number of common shares and an unlimited number of preference shares of which Nil were outstanding as of the date of this Annual Report (the "Preference Shares").

A description of the rights, preferences and privileges relating to the Company's Preference Shares is as follows:

(a) Our Preference Shares have a par value of one-tenth of one cent (1/10) and are redeemable, voting, non-participating shares.

(b) No dividends at any time shall be declared, set aside or paid on our Preference Shares.

(c) In the event of a liquidation, dissolution or winding of the Company or other distribution of assets or property of the Company among shareholders for the purpose of winding up its affairs, the holders of the Preference Shares shall be entitled to received from the assets and property of the Company a sum equivalent to the aggregate par value of the Preference Shares held by them respectively before any amount shall be paid or any property or assets of the Company distributed to holders of any common shares or shares of any other class ranking junior to the Preference Shares. After payment to the holders of the Preference Shares of the amount so payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Company.

(d) The Company may not redeem the Preference Shares prior to the expiration of five years from the respective dates of issuance thereof, without the prior consent of the holders of the Preference Shares to be redeemed. The Company shall redeem all of the then outstanding Preference Shares five years from the respective dates of issue

(e) The Company may at any time or times purchase for cancellation all or any part of the Preference Shares outstanding from time to time from the holders thereof, at a price not exceeding the par value thereof, with the consent of the holders thereof.

(f) The holders of the Preference Shares shall be entitled to receive notice of and attend all meetings of shareholders of the Company and shall have one (1) vote for each Preference Share held at all meetings of the shareholders of the Company.

Other Provisions
The following special provisions shall be applicable to the Company:

Subject to the provisions of the Business Corporations Act, as amended or re-enacted from time to time, the directors may, without authorization of the shareholders:

(i) borrow money on the credit of the Company;

(ii) issue, re-issue, sell or pledge debt obligations of the Company;

(iii) give a guarantee on behalf of the Company to secure performance of an obligation of any person;

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Company owned or subsequently acquired, to secure any obligation of the Company; and

(v) by resolution, delegate any or all such powers to a director, a committee of directors or an officer of the Company.

Articles of Amendment dated effective March 16, 2012
By Articles of Amendment dated effective March 16, 2012 our articles were amended to

a) To change each issued and outstanding common share in the capital of the Corporation into two (2) common share of the Corporation (the "Stock Split") effective as of the close of business on March 16, 2012; and

b) To provide that no fractional shares shall be issued as a result of the Stock Split, and if any fractional share would otherwise result from the Stock Split, such fractional share shall be rounded up to the nearest whole share and distributed to the holder of the fractional interest as his or her interest appears

Bylaws
At the Annual and Special Meeting of Shareholders held on February 24, 2012, shareholders approved a resolution to repeal and replace the Company's By-Law No. 1 and Special By-Law No. 1 (the "**Old By-Laws**") with a new By-Law No. 1 (the "**New By-Laws**") in order to reflect the current circumstances and practices of the Company and certain amendments to the *Business Corporations Act* (Ontario) (the "**OBCA**"), which came into force on August 1, 2007.

No director of ours is permitted to vote on any resolution to approve a material contract or transaction in which such director has a material interest (Bylaws, Article 3.17).

Neither our Articles nor our Bylaws limit the directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body. The Bylaws provide that directors shall receive remuneration as the board of directors shall determine from time to time (Bylaws, Article 3.19).

Under our Articles and Bylaws, our board of directors may, without the authorization of our shareholders, (i) borrow money upon our credit; (ii) issue, reissue, sell or pledge debt obligations of ours; whether secured or unsecured (iii) give a guarantee on behalf of us to secure performance of obligations; and (iv) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all currently owned or subsequently acquired real or personal, movable or immovable, tangible or intangible, property of ours to secure obligations(Bylaws, Article 13.1).

The annual meeting of shareholders shall be held at such time in each year as the board, the Chairman of the Board (if any), The Chief Executive Officer, or the President may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting (Bylaws, Article 9.1).

The board, the Chairman of the Board (if any) or the President shall have power to call a special meeting of shareholders at any time (Bylaws, Article 9.2).

Shareholders of record must be given notice of any meeting not less than 21 days or more than 50 days before the date of the meeting or as otherwise prescribed by applicable laws. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors' report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting (Bylaws, Article 9.4). Our board of directors is permitted to fix a record date for any meeting of the shareholders that is between 30 and 60 days prior to such meeting or as otherwise prescribed by applicable laws. (Bylaws, Article 9.6). The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Company and others who, although not entitled to vote are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting (Bylaws, Article 9.9).

Neither our Articles nor our Bylaws discuss limitations on the rights to own securities or exercise voting rights thereon, and there is no provision of our Articles or Bylaws that would delay, defer or prevent a change in control of us, or that would operate only with respect to a merger, acquisition, or corporate restructuring involving us or any of its subsidiaries. Our Bylaws do not contain a provision indicating an ownership threshold above which shareholder ownership must be disclosed.

Articles of Amendment dated effective August 25, 2014
By Articles of Amendment dated effective August 25, 2014 our articles were amended to

a) To change every ten (10) issued and outstanding common share in the capital of the Corporation into one (1) common share of the Corporation (the "Stock Consolidation") effective as of the close of business on August 25, 2014; and

b) To provide that no fractional shares shall be issued as a result of the Stock Consolidation and if any fractional share would otherwise result from the Stock Split, such fractional share shall be rounded up to the nearest whole share and distributed to the holder of the fractional interest as his or her interest appears.

Other Provisions
Neither our Articles nor our Bylaws discuss the retirement or non-retirement of directors under an age limit requirement or the number of shares required for director qualification.

Neither our Articles nor our Bylaws require that a director hold a share in the capital of the Company as qualification for his/her office.

Neither our Articles nor our Bylaws contain sinking fund provisions, provisions allowing us to make further capital calls with respect to any shareholder of ours, or provisions which discriminate against any holders of securities as a result of such shareholder owning a substantial number of shares.

C. MATERIAL CONTRACTS

During the two year period preceding the filing date of this Annual Report, we entered into no material contracts other than contracts entered into in the ordinary course except for the following:

On April 11, 2014, the Company entered into a further Joint Development Agreement ("JDA2") with Stratex and Quadrant Resources LLC, ("Quadrant") for the development of the San Miguel formation on the Matthews Lease. Pursuant to the terms of the JDA2, upon satisfaction of certain conditions including the Phase 1 Work Program and the cash consideration described below, Quadrant can earn an undivided 66.67% before payout and a 50% working interest after payout to the base of the San Miguel formation of the Matthews Lease by i) drilling 3 new wells and reworking 5 wells at its sole cost and expense by June 30, 2015 (the "Phase I Work Program"); ii) deliver US$100,000 to the Company upon execution of the JDA2 (paid); and iii) deliver US$65,000 to the Company on each of July 8, 2014, October 6, 2014, January 5, 2015 and April 6, 2015. The Company recorded the cash payments and the payment of certain obligations under the Matthews Lease by Quadrant totaling US$303,712 (CDN$378,577) as a reduction in exploration and evaluation assets. Under the terms of the JDA2 Quadrant was required to complete the Phase I Work Program and pay the Company cash consideration totaling US$360,000 by June 30, 2015, which it did not and accordingly the JDA2 expired without Quadrant earning any interest in the development area.

On or about September 30, 2014, Stratex filed a petition against Zavala Inc. in the District Court of Zavala County, Texas seeking breach of contract and actual damages of US$152,293 for Zavala Inc.'s alleged non-payment of its proportionate share of minimum royalties due under the Matthews Lease. Zavala Inc. disputed the claim citing $300,000 paid by us was to be credited against the minimum royalties which Stratex failed to do. We paid the US$152,293 under protest and filed a Response and Cross Notice of Default against Stratex (Cause No. 14-09-13290-ZCV). Effective March 31, 2015, we entered into a settlement with Stratex and Quadrant pursuant to which Stratex assigned all of its rights, title and interest in, to and under the Matthews Lease and the JDA, to us and Quadrant, and issued to us 1,333,333 common shares of Stratex as repayment of the disputed minimum royalty of US$152,293 and a further payment of US$25,000 was to be paid by Stratex to the Company.

On August 31, 2014, we entered into a 10% per annum secured convertible promissory note payable in the amount of US$1,216,175 and a General Security Agreement. The secured convertible promissory note is due on the earliest to occur of: (a) August 31, 2015; (b) the closing of any subsequent financing or series of financings by the Company that results in gross proceeds of an aggregate amount equal to or greater than US$4,400,000, excluding conversion of any existing debt into equity; (c) the date of a sale by the Company of all of the shares in the capital stock of Zavala Inc. held by the Company from time to time; (d) the closing of a merger, reorganization, take-over or other business combination which results in a change of control of the Company or Zavala Inc.; or (e) an event of default (the "Note").

At August 31, 2015, we were unable to pay the Note (US$1,216,175) plus interest of US$121,618, totalling US$1,337,793, which constituted an event of default pursuant to the terms of the Note. In an effort to avoid further costs, we entered into a Settlement and Exercise of Security Agreement whereby effective August 31, 2015, we assigned and conveyed all of our rights, title and interest in and to Zavala Inc., and issued 10,000,000 shares of common stock of ours.

D. EXCHANGE CONTROLS

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, or affect the remittance of dividends, interest or other payments to a non-resident holder of our common stock, other than withholding tax requirements (See "Taxation" below).

Except as provided in the Investment Canada Act, there are no limitations imposed under the laws of Canada, the Province of Ontario, or by our constituent documents on the right of a non-resident to hold or vote our common stock.

The Investment Canada Act (the "ICA"), which became effective on June 30, 1985, regulates the acquisition by non-Canadians of control of a Canadian business enterprise. In effect, the ICA requires review by Investment Canada, the agency which administers the ICA, and approval by the Canadian government, in the case of an acquisition of control of a Canadian business by a non-Canadian where: (i) in the case of a direct acquisition (for example, through a share purchase or asset purchase), the assets of the business are CDN $5 million or more in value; or (ii) in the case of an indirect acquisition (for example, the acquisition of the foreign parent of the Canadian business) where the Canadian business has assets of CDN $5 million or more in value or if the Canadian business represents more than 50% of the assets of the original group and the Canadian business has assets of CDN $5 million or more in value. Review and approval are also required for the acquisition or establishment of a new business in areas concerning "Canada's cultural heritage or national identity" such as book publishing, film production and distribution, television and radio production and distribution of music, and the oil and natural gas industry, regardless of the size of the investment.

As applied to an investment in us, three methods of acquiring control of a Canadian business would be regulated by the ICA: (i) the acquisition of all or substantially all of the assets used in carrying on the Canadian business; (ii) the acquisition, directly or indirectly, of voting shares of a Canadian corporation carrying on the Canadian business; or (iii) the acquisition of voting shares of an entity which controls, directly or indirectly, another entity carrying on a Canadian business. An acquisition of a majority of the voting interests of an entity, including a corporation, is deemed to be an acquisition of control under the ICA. An acquisition of less than one-third of the voting shares of a corporation is deemed not to be an acquisition of control. An acquisition of less than a majority, but one-third or more, of the voting shares of a corporation is presumed to be an acquisition of control unless it can be established that on the acquisition the corporation is not, in fact, controlled by the acquirer through the ownership of voting shares. For partnerships, trusts, joint ventures or other unincorporated entities, an acquisition of less than a majority of the voting interests is deemed not to be an acquisition of control.

In 1988, the ICA was amended, pursuant to the Free Trade Agreement dated January 2, 1988 between Canada and the United States, to relax the restrictions of the ICA. As a result of these amendments, except where the Canadian business is in the cultural, oil and gas, uranium, financial services or transportation sectors, the threshold for direct acquisition of control by US investors and other foreign investors acquiring control of a Canadian business from US investors has been raised from CDN $5 million to CDN $150 million of gross assets, and indirect acquisitions are not reviewable.

In addition to the foregoing, the ICA requires that all other acquisitions of control of Canadian businesses by non-Canadians are subject to formal notification to the Canadian government. These provisions require a foreign investor to give notice in the required form, which notices are for information, as opposed to review, purposes.

E. TAXATION

Certain Canadian Federal Income Tax Consequences

The following discussion describes the principal Canadian federal income tax consequences applicable to a holder of our common shares which are traded on the OTCQB, who, at all material times, is a resident of the United States for purposes of the Canada-United States Income Tax Convention (the "Treaty") entitled to the full benefit of the Treaty and is not a resident, or deemed to be a resident, of Canada, deals at arm's length and is not affiliated with the Company, did not acquire our common shares by virtue of employment, is not a financial institution, specified financial institution, registered non-resident insurer, authorized foreign bank, partnership or a trust as defined in the Income Tax Act (Canada) (the "ITA"), holds our common shares as capital property and as beneficial owner, and does not use or hold, is not deemed to use or hold, his or her common shares in connection with carrying on a business in Canada and, did not, does not and will not have a fixed base or permanent establishment in Canada within the meaning of the Treaty (a "non-resident holder").

This description is based upon the current provisions of the ITA, the regulations thereunder (the "Regulations"), management's understanding of the current publicly announced administration and assessing policies of Canada Revenue Agency, and all specific proposals (the "Tax Proposals") to amend the ITA and Regulations announced by the Minister of Finance (Canada) prior to the date hereof. This description is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account any income tax laws or considerations of any province or territory of Canada or foreign tax considerations which may differ significantly from those discussed below.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of common shares of the Company, and no opinion or representation with respect to the Canadian Federal Income Tax consequences to any such holder or prospective holder is made. Accordingly, holders and prospective holders of common shares are urged to consult with their own tax advisors about the federal, provincial and foreign tax consequences of purchasing, owning and disposing of common shares.

Dividends
Dividends paid on our common shares to a non-resident holder will be subject to a 25% withholding tax pursuant to the provision of the ITA. The Treaty provides that the normal 25% withholding tax rate is generally reduced to 15% on dividends paid on shares of a corporation resident in Canada (such as the Company) to beneficial owners who are residents of the United States. However, if the beneficial owner is a resident of the United States and is a corporation which owns at least 10% of the voting stock of the Company, the withholding tax rate on dividends is reduced to 5%.

Capital Gains
A non-resident of Canada is subject to tax under the ITA in respect of a capital gain realized upon the disposition of a share of a corporation if the shares are considered to be "taxable Canadian property" of the holder within the meaning of the ITA and no relief is afforded under an applicable tax treaty. For purposes of the ITA, a common share of the Company will be taxable Canadian property to a non-resident holder if more than 50% of the fair market value of the common share during the 60 month period immediately preceding the disposition of the common share, was derived directly or indirectly from real or immovable property situated in Canada, Canadian resource properties or any options or interests in such properties.

In the case of a non-resident holder to whom shares of our common stock represent taxable Canadian property and who is a resident in the United States and not a former resident of Canada, no Canadian taxes will be payable on a capital gain realized on such shares by reason of the Treaty unless the value of such shares is derived principally from real property situated in Canada within the meaning of the Treaty at the time of the disposition.

Certain United States Federal Income Tax Consequences
The following is a general discussion of certain possible United States Federal income tax consequences, under current law, generally applicable to a US Holder (as defined below) of our common shares. This discussion does not address all potentially relevant Federal income tax matters and does not address consequences peculiar to persons subject to special provisions of Federal income tax law, such as those described below as excluded from the definition of a US Holder. In addition, this discussion does not cover any state, local or foreign tax consequences (See “Certain Canadian Federal Income Tax Consequences” above).

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations, published Internal Revenue Service (“IRS”) rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time. In addition, this discussion does not consider the potential effects, both adverse and beneficial, of recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. The following discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of common shares, and no opinion or representation with respect to the United States Federal income tax consequences to any such holder or prospective holder is made. Accordingly, holders and prospective holders of common shares are urged to consult their own tax advisors about the Federal, state, local, and foreign tax consequences of purchasing, owning and disposing of common shares.

U.S. Holders
As used herein, a "U.S. Holder" means a holder of common shares who is a citizen or individual resident (as defined under United States tax laws) of the United States; a corporation created or organized in or under the laws of the United States or of any political subdivision thereof; an estate the income of which is taxable in the United States irrespective of source; or a trust if (a) a court within the United States is able to exercise primary supervision over the trust's administration and one or more United States persons have the authority to control all of its substantial decisions or (b) the trust was in existence on August 20, 1996 and has properly elected to continue to be treated as a United States person. This summary does not address the United States tax consequences to, and U.S. Holder does not include, persons subject to specific provisions of federal income tax law, including but not limited to tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a "functional currency" other than the U.S. dollar, persons who hold common shares as part of a straddle, hedging or a conversion transaction, and persons who acquire their common shares as compensation for services. This discussion is limited to U.S. Holders who own common shares as capital assets and who hold the common shares directly (e.g., not through an intermediary entity such as a corporation, partnership, limited liability company, or trust). This discussion does not address the consequences to a person or entity of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares.

Distributions on Our Common Shares
Subject to the discussion below regarding passive foreign investment companies ("PFICs"), the gross amount of any distribution (including non-cash property) by us (including any Canadian taxes withheld therefrom) with respect to common shares generally should be included in the gross income of a U.S. Holder as foreign source dividend income to the extent such distribution is paid out of current or accumulated earnings and profits of ours, as determined under United States Federal income tax principles. Distributions received by non-corporate U.S. Holders may be subject to United States Federal income tax at lower rates than other types of ordinary income (generally 15%) in taxable years beginning on or before December 31, 2010 if certain conditions are met. These conditions include the Company not being classified as a PFIC, it being a "qualified foreign corporation," the U.S. Holder's satisfaction of a holding period requirement, and the U.S. Holder not treating the distribution as "investment income" for purposes of the investment interest deduction rules. To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, the distribution first will be treated as a tax-free return of capital to the extent of the U.S. Holder's adjusted tax basis in our common shares and to the extent that such distribution exceeds the Holder's adjusted tax basis in our common shares, will be taxed as capital gain. In the case of U.S. Holders that are corporations, such dividends generally will not be eligible for the dividends received deduction.

If a U.S. Holder receives a dividend in Canadian dollars, the amount of the dividend for United States federal income tax purposes will be the U.S. dollar value of the dividend (determined at the spot rate on the date of such payment) regardless of whether the payment is later converted into U.S. dollars. In such case, the U.S. Holder may recognize additional ordinary income or loss as a result of currency fluctuations between the date on which the dividend is paid and the date the dividend amount is converted into U.S. dollars.

Disposition of Common Shares
Subject to the discussion below regarding PFIC's, gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of our common shares (including, without limitation, a complete redemption of our common shares) generally will be subject to United States Federal income taxation as capital gain or loss in an amount equal to the difference between the U.S. Holder's adjusted tax basis in our common shares and the amount realized on the disposition. Net capital gain (i.e., capital gain in excess of capital loss) recognized by a non-corporate U.S. Holder (including an individual) upon a sale or other disposition of our common shares that have been held for more than one year will generally be subject to a maximum United States federal income tax rate of 15% subject to the PFIC rules below. Deductions for capital losses are subject to certain limitations. If the U.S. Holder receives Canadian dollars on the sale or disposition, it will have a tax basis in such dollars equal to the U.S. dollar value. Generally, any gain or loss realized on a subsequent disposition of the Canadian dollars will be U.S. source ordinary income or loss.

U.S. "Anti-Deferral" Rules

Passive Foreign Investment Company ("PFIC") Regime. If we, or a non-U.S. entity directly or indirectly owned by us ("Related Entity"), has 75% or more of its gross income as "passive" income, or if the average value during a taxable year of ours or the Related Entity's "passive assets" (generally, assets that generate passive income) is 50% or more of the average value of all assets held by us or the Related Entity, then the United States PFIC rules may apply to U.S. Holders. If we or a Related Entity is classified as a PFIC, a U.S. Holder will be subject to increased tax liability in respect of gain recognized on the sale of his, her or its common shares or upon the receipt of certain distributions, unless such person makes a "qualified electing fund" election to be taxed currently on its *pro rata* portion of our income and gain, whether or not such income or gain is distributed in the form of dividends or otherwise, and we provide certain annual statements which include the information necessary to determine inclusions and assure compliance with the PFIC rules. As another alternative to the foregoing rules, a U.S. Holder may make a mark-to-market election to include in income each year as ordinary income an amount equal to the increase in value of its common shares for that year or to claim a deduction for any decrease in value (but only to the extent of previous mark-to-market gains). We or a related entity can give no assurance as to its status as a PFIC for the current or any future year. U.S. Holders should consult their own tax advisors with respect to the PFIC issue and its applicability to their particular tax situation.

Controlled Foreign Corporation Regime ("CFC"). If a U.S. Holder (or person defined as a U.S. persons under Section 7701(aX301 of the Code) owns 10% or more of the total combined voting power of all classes of our stock (, a "U. S. Shareholder") and U.S. Shareholders own more than 50% of the vote or value of our Company, we would be a "controlled foreign corporation". This classification would result in many complex consequences, including the required inclusion into income by such U. S. Shareholders of their pro rata shares of "Subpart F income" of our Company (as defined by the Code) and our earnings invested in "US property" (as defined by the Code). In addition, under Section 1248 of the Code, gain from the sale or exchange of our common shares by a US person who is or was a U. S. Shareholder at any time during the five year period before the sale or exchange may be treated as ordinary income to the extent of earnings and profits of ours attributable to the stock sold or exchanged. It is not clear the CFC regime would apply to the U.S. Holders of our common shares, and is outside the scope of this discussion.

Foreign Tax Credit

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to us may be entitled to either a deduction or a tax credit for such foreign tax paid or withheld, at the option of the U.S. Holder. Generally, it will be more advantageous to claim a credit because a credit reduces United States federal income tax on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to tax. This election is made on a year-by-year basis and generally applies to all foreign taxes paid by (or withheld from) the U.S. Holder during that year.

There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's United States income tax liability that the U.S. Holder's foreign source income bears to its worldwide taxable income. This limitation is designed to prevent foreign tax credits from offsetting United States source income. In determining this limitation, the various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process.

In addition, this limitation is calculated separately with respect to specific "baskets" of income such as passive income, high withholding tax interest, financial services income, shipping income, and certain other classifications of income. Foreign taxes assigned to a particular class of income generally cannot offset United States tax on income assigned to another class. Under the American Jobs Creation Act of 2004 (the "Act"), this basket limitation will be modified significantly after 2006.

Unused foreign tax credits can generally be carried back one year and carried forward ten years. U.S. Holders should consult their own tax advisors concerning the ability to utilize foreign tax credits, especially in light of the changes made by the Act.

Backup Withholding

Payment of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting requirement and to backup withholding unless the US Holder (i) is a corporation or other exempt recipient or (ii) in the case of backup withholding, provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred

The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the US Federal income tax liability of the US Holder and may entitle the US Holder to a refund, provided that the required information is furnished to the IRS.

F. DIVIDENDS AND PAYING AGENTS

Not Applicable. This Form 20-F is being filed as an Annual Report filed under the Exchange Act.

G. STATEMENT BY EXPERTS

Not Applicable. This Form 20-F is being filed as an Annual Report filed under the Exchange Act.

H. DOCUMENTS ON DISPLAY

The documents and exhibits referred to in this Annual Report are available for inspection at the registered and management office at 1 King Street West, Suite 1505, Toronto, Ontario M5H 1A1 during normal business hours.

I. SUBSIDIARY INFORMATION

Not Applicable. This Form 20-F is being filed as an Annual Report filed under the Exchange Act.

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is exposed in varying degrees of risks arising from its financial instruments. The Company has entered into certain financial derivative contracts. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting. As a result, all financial derivative contracts are classified as fair value through "fair value through profit or loss" and are recorded on the statement of financial position at fair value.

The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations and limited exposure to credit and market risks while ensuring greater returns on any surplus funds.

The Company has classified its financial instruments as follows:

Financial Instrument	Category	Measurement method
Cash	Fair value through profit or loss	Fair value
Marketable securities	Available-for-sale	Fair value
Derivative liabilities	Fair value through profit or loss	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Provisions	Other financial liabilities	Amortized cost
Secured note payable, shareholders' loans and loans payable	Other financial liabilities	Amortized cost

The types of risk exposure and the ways in which such exposures are managed are as follows:

Credit Risk
Credit risk is primarily related to the Company's receivables from joint venture partners and the risk of financial loss if a partner or counterparty to a financial instrument fails to meet its contractual obligations. Receivables from joint venture partners are normally collected within one to three months of the joint venture bill being issued to the partner. The Company historically has not experienced any collection issues with its joint venture partners to date. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital expenditures prior to expenditure. The Company establishes an allowance for doubtful accounts as determined by management based on their assessed collectability; therefore, the carrying amount of trade and other receivables generally represents the maximum credit exposure. The Company believes that its counterparties currently have the financial capacity to settle outstanding obligations in the normal course of business.

Concentration risks exist in cash because significant balances are maintained with one financial institution. The risk is mitigated because the financial institution is an international bank.

The Company's maximum exposure to credit risk is as follows:

	August 31, 2015	August 31, 2014
Cash	$ 32,192	$ 103,215
Trade and other receivables	51,323	157,121
Balance	$ 83,515	$ 260,336

Liquidity Risk
The Company monitors its liquidity position regularly to assess whether it has the funds necessary to fulfill planned exploration commitments on its oil and gas properties or that viable options are available to fund such commitments from new equity issuances or alternative sources such as farm-out agreements. However, as an exploration company at an early stage of development and without significant internally generated cash flow, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual exploration expenditures may exceed those planned. The current uncertainty in global markets have had an impact on the Company's ability to access capital or other viable options on terms that are acceptable to the Company.
The following table illustrates the contractual maturities of financial liabilities:

August 31, 2015	**Payments Due by Period**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and others payables	$ 1,630,809	$ 1,630,809	-	-	-
Shareholders' loans (1)	339,588	339,588	-	-	-
Loans payable (1)	1,063,105	1,063,105	-	-	-
Total	$ 3,033,502	$ 3,033,502	-	**-**	**-**

(2) Translated at current exchange rate.

August 31, 2014	**Payments Due by Period**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and others payables	$ 1,483,775	$ 1,483,775	-	-	-
Shareholders' loans (1)	981,834	981,834	-	-	-
Total	$ 2,465,609	$ 2,465,609	-	-	-

(3) Translated at current exchange rate.

Market Risk
Market risk represents the risk of loss that may impact the Company's financial position, results of operations, or cash flows due to adverse changes in financial market prices, including interest rate risk, foreign currency exchange rate risk, commodity price risk, and other relevant market or price risks. The Company does not use derivative financial instruments or derivative commodity instruments to mitigate this risk.

The oil and gas industry is exposed to a variety of risks including the uncertainty of finding and recovering economic reserves, the performance of hydrocarbon reservoirs, securing markets for production, commodity prices, interest rate fluctuations, potential damage to or malfunction of equipment and changes to income tax, royalty, environmental or other such factors.

Market events and conditions in recent years including oil and gas supply and demand, disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions have caused significant volatility to commodity prices. These conditions contributed to a loss of confidence in the broader U.S. and global credit and financial markets and the oil and gas sector. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions contributed to further deteriorate the broader credit markets and stock market declines. These factors have negatively impacted company valuations and may impact the performance of the global economy going forward. Although economic conditions improved, the recovery has been slow in various sectors including in Europe and North America and has been impacted by various ongoing factors including sovereign debt levels and high levels of unemployment which continue to impact commodity prices and to result in volatility in the stock market.

The Company mitigates these risks by:

- attempts to utilize competent, professional consultants as support to management,
- reviewing available petrophyisical analysis of prospects,
- focusing on a limited number of oil and gas properties,
- reviewing other business prospects outside of commodities as further ventures of merit for Company participation.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world economic events that affect the levels of supply and demand.

The Company believes that movement in commodity prices that are reasonably possible over the next twelve month period may have a significant impact on the Company as all its oil properties are still in a development stage.

Commodity Price Sensitivity

The following table summarizes the sensitivity of the fair value of the Company's risk management position for the year ended August 31, 2015 and 2014 to fluctuations in natural gas prices, with all other variables held constant. When assessing the potential impact of these price changes, the Company believes that 10 percent volatility is a reasonable measure. Fluctuations in natural gas prices potentially could have resulted in unrealized gains (losses) impacting net income as follows:

	2015		2014	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Net revenue	$ 59,918	$ 46,192	$ 72,451	$ 57,597
Net income (loss)	$ 2,074,306	$ 2,060,580	$ (6,107,550)	$ (6,122,404)

(ii) Currency Risk

The Company is exposed to the fluctuations in foreign exchange rates. The prices received by the Company for the production of natural gas and natural gas liquids are primarily determined in reference to United States dollars but are settled with the Company in Canadian dollars. The Company's cash flow for commodity sales will therefore be impacted by fluctuations in foreign exchange rates.

The Company operates in Canada and a portion of its expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar could have an effect on the Company's financial instruments. The Company does not hedge its foreign currency exposure.

The following assets and liabilities are denominated in US dollars at August 31, 2015 and 2014:

	August 31, 2015	August 31, 2014
Cash	$ 22,166	$ 73,099
Trade and other receivables	24,154	74,091
Trade and other payables	(873,523)	(882,877)
Shareholders' loans	(249,250)	(904,250)
Derivative liabilities	(212,668)	(4,899,511)
Loans payable	(776,000)	-
Prepaid expenses and deposits	-	27,478
Exploration and evaluation assets	-	4,638,600
Deferred revenue	-	(165,000)
Provisions	-	(32,948)
Net assets denominated in US$	$ (2,065,121)	$ (2,071,318)
Net asset CDN dollar equivalent at period end [1]	$ (2,730,710)	$ (2,249,038)

(1) Translated at the exchange rate in effect at August 31, 2015 $1.3223 (August 31, 2014 $1.0858)

The following table shows the estimated sensitivity of the Company's total comprehensive loss for the periods set out from a change in the U.S dollar exchange rate in which the Company has exposure with all other variables held constant.

	August 31, 2015		August 31, 2014	
	Increase	Decrease	Increase	Decrease
Percentage change in US Dollar	In total comprehensive loss from a change in % in the US Exchange Rate ($)		In total comprehensive loss from a change in % in the US Exchange Rate ($)	
5%	(180,541)	180,541	(122,100)	122,100
10%	(361,082)	361,082	(244,201)	244,201
15%	(541,623)	541,623	(366,301)	366,301
20%	(722,163)	722,163	(488,401)	488,401

(iii) Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The majority of the Company's debt is short-term in nature with fixed rates. Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Company.

(iv) Fair Value of Financial Instruments

The Company's financial instruments included on the consolidated statement of financial position as at August 31, 2015 and 2014 are comprised of cash, derivative liabilities, trade and other receivables, trade and other payables, loans payable, shareholders' loans and provisions.

The Company classifies the fair value of financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument.

• Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

• Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

	August 31, 2015		August 31, 2014	
Financial Instrument Classification	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
Fair value through profit or loss:				
Cash	32,192	32,192	103,215	103,215
Derivative liabilities	281,210	281,210	5,325,407	5,325,407
Loans and receivables:				
Trade and other receivables	51,323	51,323	157,121	157,121
Other financial liabilities:				
Trade and other payables	1,630,809	1,630,809	1,483,775	1,483,775
Shareholders' loans	339,588	339,588	981,834	981,834
Loans payable	1,063,105	1,063,105	-	-
Provisions (short and long term)	11,563	11,563	47,543	47,543

Cash and derivative liabilities are stated at fair value (Level 1 measurement). The carrying value of trade and other receivables, trade and other payables, loans payable, secured note payable and provisions approximate their fair value due to the short-term maturity of these financial instruments (Level 3 measurement). Shareholders' loans are measured at the exchange amount.

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. DEBT SECURITIES

Not applicable.

B. WARRANTS AND RIGHTS

Not applicable.

C. OTHER SECURITIES

Not Applicable.

D. AMERICAN DEPOSITORY SHARES

Not Applicable.

PART II

ITEM 13 DEFAULTS, DIVIDENDS ARREARAGES AND DELINQUENCIES

Not Applicable.

ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, James Cassina, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this annual report (the “Evaluation Date”). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to us, required to be disclosed in our Securities and Exchange Commission (“SEC”) reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on our financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management assessed the effectiveness of our internal control over financial reporting as of August 31, 2015 based on the framework established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that assessment, management concluded that, as of August 31, 2015, our internal control over financial reporting was effective based on the criteria established in Internal Control—Integrated Framework.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our control systems are designed to provide such reasonable assurance of achieving their objectives. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended August 31, 2015 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16 [RESERVED]

A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that Mr. Milton Klyman is an "audit committee financial expert", as defined in Item 16A of Form 20-F and is independent. Milton Klyman is the Chairman of the Audit Committee. He is a self-employed financial consultant and has been a Chartered Professional Accountant since 1952. Milton Klyman is a Life Member of the Institute of Chartered Professional Accountants of Ontario, a Life member of the Canadian Institute of Mining Metallurgy and Petroleum and a Fellow of the Institute of Chartered Secretaries and Administrators.

B. CODE OF ETHICS

We have adopted a written code of business conduct and ethics (the "Code") for our directors, officers and employees. The board encourages following the Code by making it widely available. It is distributed to directors in the Director's Manual and to officers, employees and consultants at the commencement of their employment or consultancy. The Code reminds those engaged in service to us that they are required to report perceived or actual violations of the law, violations of our policies, dangers to health, safety and the environment, risks to our property, and accounting or auditing irregularities to the chair of the Audit Committee who is an independent director of ours. In addition, to requiring directors, officers and employees to abide by the Code, we encourage consultants, service providers and all parties who engage in business with us to contact the chair of the Audit Committee regarding any perceived and all actual breaches by our directors, officers and employees of the Code. The chair of our Audit Committee is responsible for investigating complaints, presenting complaints to the applicable board committee or the board as a whole, and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the chair of our Audit Committee will advise the complainant of the corrective action measures that have been taken or advise the complainant that the complaint has not been substantiated. The Code prohibits retaliation by us, our directors and management, against complainants who raise concerns in good faith and requires us to maintain the confidentiality of complainants to the greatest extent practical. Complainants may also submit their concerns anonymously in writing. In addition to the Code, we have an Audit Committee Charter and a Policy of Procedures for Disclosure Concerning Financial/Accounting Irregularities.

Since the beginning of our most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code. The board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code and expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The board is required by the Board Mandate to satisfy our CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Company. The board is responsible for reviewing departures from the Code, reviewing and either providing or denying waivers from the Code, and disclosing any waivers that are granted in accordance with applicable law. In addition, the board is responsible for responding to potential conflict of interest situations, particularly with respect to considering existing or proposed transactions and agreements in respect of which directors or executive officers advise they have a material interest. The Board Mandate requires that directors and executive officers disclose any interest and the extent, no matter how small, of their interest in any transaction or agreement with us, and that directors excuse themselves from both board deliberations and voting in respect of transactions in which they have an interest. By taking these steps the board strives to ensure that directors exercise independent judgment, unclouded by the relationships of the directors and executive officers to each other and us, in considering transactions and agreements in respect of which directors and executive officers have an interest. Our Code applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions of the Company. There have been no waivers of our Code granted to our principal executive officer, principal financial officer, principal accounting officer or controller, or similar persons during the period covered by this Annual Report.

Upon written request to us at our registered and management office, attention: the President, we will provide by mail, to any person without charge a copy of our Code of Ethics.

C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

It is the policy of the Audit Committee that all audit and non-audit services are pre-approved prior to engagement. Before the initiation of each audit, the principal accountant submits a budget of the expected range of expenditures to complete their audit engagement (including Audit Fees, Audit-Related Fees and Tax Fees) to the Audit Committee for approval. In the event that the principal accountant exceeds these parameters, the individual auditor is expected to communicate to management the reasons for the variances, so that such variances can be ratified by the Audit Committee. As a result, 100% of expenditures within the scope of the noted budget are approved by the Audit Committee.

During fiscal 2015 and 2014 there were no hours performed by any person other than the primary accountant’s fulltime permanent employees.

Since the commencement of the Company's most recently completed financial year, no recommendations were made by the Audit Committee to nominate or compensate an external auditor.

External Auditor Service Fees (By Category)
The aggregate fees billed or accrued for professional fees rendered by Schwartz Levitsky Feldman llp, Chartered Accountants for the years ended August 31, 2015 and August 31, 2014 are as follows:

Nature of Services	Fees Paid to Auditor for Year-ended August 31, 2015	Fees Paid to Auditor for Year-ended August 31, 2014
Audit Fees[1]	$ 35,000	$ 40,000
Audit-Related Fees[2]	Nil	Nil
Tax Fees[3]	5,000	10,000
All Other Fees[4]	Nil	Nil
TOTALS	**$ 40,000**	**$ 50,000**

Notes:

1. "**Audit Fees**" include fees necessary to perform the annual audit and any quarterly reviews of the Company's financial statements management discussion and analysis. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. This also includes audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

2. "**Audit-Related Fees**" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not included in "Audit Fees".

3. "**Tax Fees**" include fees for all professional services rendered by the Company's auditors for tax compliance, tax advice and tax planning.

4. "**All Other Fees**" include all fees for products and services provided by the Company's auditors not included in "Audit Fees", "Audit-Related Fees" and "Tax Fees".

D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable.

E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not Applicable.

G. CORPORATE GOVERNANCE

Not Applicable.

H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17 FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

The following attached Consolidated Financial Statements are included in this Annual Report on Form 20-F beginning with page F-1:

1. Audited Consolidated Financial Statements of Eagleford Energy Corp. for the years ended August 31, 2015 and 2015, comprised of the following:

(a) Independent Auditor's Report of Registered Public Accounting Firm, Schwartz Levitsky Feldman LLP, Chartered Accountants for the years ended August 31, 2015 and 2014;

(b) Consolidated Statements of Financial Position as at August 31, 2015 and 2014;

(c) Consolidated Statements of Operations and Comprehensive Loss for the years ended August 31, 2015, 2014 and 2013;

(d) Consolidated Statements of Shareholders' Equity (Deficiency) for the years ended August 31, 2015, 2014 and 2013;

(e) Consolidated Statements of Cash Flows for the years ended August 31, 2015, 2014 and 2013;

(f) Notes to the Consolidated Financial Statements.

ITEM 19 EXHIBITS

The following exhibits are included in the Annual Report on Form 20-F:

Exhibit #	Description
1.1	Certificate of Incorporation of Bonanza Red Lake Explorations Inc. (presently known as Eagleford Energy Inc.) dated September 22, 1978 (1)
1.2	Articles of Amendment dated January 14, 1985 (1)
1.3	Articles of Amendment dated August 16, 2000 (1)
1.4	Bylaw No 1 of Bonanza Red Lake Explorations Inc. (presently known as Eagleford Energy Inc.) (1)
1.5	Special By-Law No 1 – Respecting the borrowing of money and the issue of securities of Bonanza Red Lake Explorations Inc. (presently known as Eagleford Energy Inc.) (1)
1.6	Articles of Amalgamation dated November 30, 2009 (3)
4.1	2000 Stock Option Plan (1)
4.2	Code of Business Conduct and Ethics (1)
4.3	Audit Committee Charter (1)
4.4	Petroleum and Natural Gas Committee Charter (1)
4.5	Compensation Committee Charter (1)
4.6	Purchase and Sale Agreement dated February 5, 2008 among Eugenic Corp., 1354166 Alberta Ltd., and the Vendors of 1354166 Alberta Ltd. (1)
4.7	Amended Audit Committee Charter (3)
4.8	Amended Stock Option Plan (4)
4.9	Asset Purchase Agreement between Eagleford Energy Inc., and Source Re-Work Program Inc., dated May 12, 2010 (6)
4.10	Addendum dated June 10, 2010 to the Asset Purchase Agreement between Eagleford Energy Inc. and Source Re-Work Program Inc., dated May 12, 2010 (6)
4.11	Addendum 2 dated June 30, 2010 to the Asset Purchase Agreement between Eagleford Energy Inc. and Source Re-Work Program Inc., dated May 12, 2010 (6)
4.12	Acquisition Agreement among Eagleford Energy Inc., Dyami Energy LLC and the Members of Dyami Energy LLC dated August 10, 2010 (5)
4.13	Financial Advisory Services Agreement between Eagleford Energy Inc. and GarWood Securities, LLC dated June 10, 2010 (6)
4.14	Amended Stock Option Plan, February 24, 2011 (7)
4.15	Amendment dated December 31, 2011 to 6% Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (8)
4.16	Consent of Sproule Associates Limited dated February 16, 2012 (9)
4.17	Evaluation of P&NG Reserves of Eagleford Energy Inc., at August 31, 2011 (11)
4.18	Amended Stock Option Plan, February 24, 2012 (8)
4.19	By-Law No. 1, February 24, 2012 (8)
4.20	Articles of Amendment, effective March 16, 2012 (10)
4.21	2nd Amendment dated June 30, 2012 to 6% Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (12)
4.22	Evaluation of P&NG Reserves of Eagleford Energy Inc., at August 31, 2012 (12)
4.23	Consent of Sproule Associates Limited dated (12)
4.24	Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC(12)
4.25	Amendment dated April 13, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.26	Amendment No. 2 dated July 17, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.27	Amendment No. 3 dated August 14, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.28	Amendment No. 4 dated August 31, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)

4.29	3rd Amendment dated November 23, 2012 to Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (12)
4.30	4th Amendment dated March 1, 2013 to Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (13)
4.31	Eagleford Energy, Zavala Inc., Certificate of Incorporation dated August 29, 2013 (13)
4.32	Rule 14 Agreement among The Matthews Family Mineral Account, LP, Delta Star Holdings, LLC, Dyami Energy, LLC, Eagleford Energy, Inc.,OGR Energy Corporation, OGR 2000 Ltd., and Texas Onshore Energy, Inc. (13)
4.33	Termination of Financial Advisory Agreement between Eagleford Energy Inc. and The PrinceRidge Group LLC dated September 5, 2013 (13)
4.34	Joint Development Agreement dated December 3, 2013 between Eagleford Energy Inc., Eagleford Energy, Zavala Inc., and Stratex Oil and Gas Holdings, Inc. (13)
4.35	Articles of Amendment, effective August 25, 2014 (14)
4.36	Amendment dated January 21, 2014 to the Joint Development Agreement between Eagleford Energy Inc., Eagleford Energy, Zavala Inc., and Stratex Oil and Gas Holdings, Inc. (15)
4.37	Joint Development Agreement dated April 11, 2014 by and among Quadrant Resources LLC Eagleford Energy, Zavala Inc., and Stratex Oil and Gas Holdings, Inc.(15)
4.38	Secured Convertible Promissory Note, General Security Agreement and Release dated August 31, 2014 between Eagleford Energy Inc. and Benchmark Enterprises LLC (15)
4.39	Articles of Incorporation of EEZ Operating Inc. effective May 12, 2015 (16)
4.40	Settlement Agreement effective as of March 31, 2015, by and between Stratex Oil & Gas Holdings, Inc., Quadrant Resources LLC, and Eagleford Energy Corp. (16)
4.41	Settlement and Exercise of Security Agreement effective August 31, 2015, between Eagleford Energy Corp. and Benchmark Enterprises LLC (16)
8.1	Subsidiaries of Eagleford Energy Corp. (16)
12.1/12.2	Section 302 Certification of Chief Executive and Financial Officer (16)
13.1/13.2	Section 906 Certification of Chief Executive and Financial Officer (16)

Reference #	Incorporated by Reference
(1)	Previously filed on April 29, 2009 by Registrant as part of Registration Statement on Form 20-F (SEC File No. 0-53646)
(2)	Previously Filed by Registrant as part of Amendment #2 to Registration Statement on Form 20F/A on July 14, 2009
(3)	Previously Filed by Registrant on Form 6 K on December 1, 2009
(4)	Previously filed by Registrant on Form 20F/A on March 12, 2010
(5)	Previously filed by Registrant on Form 6-K on September 16, 2010
(6)	Previously Filed by Registrant on Form 20F on February 11, 2011
(7)	Previously filed by Registrant on Form 6-K on January 27, 2011
(8)	Previously filed by Registrant on Form 6-K on February 1, 2012
(9)	Previously filed by Registrant on Form 20F on February 16, 2012
(10)	Previously filed by Registrant on Form 6-K on March 9, 2012
(11)	Previously filed by Registrant on Form 20F/A on April 26, 2012
(12)	Previously filed by Registrant on Form 20F on December 31, 2012
(13)	Previously filed by Registrant on Form 20F on December 24, 2013
(14)	Previously filed by Registrant on Form 6-K on August 20, 2014
(15)	Previously filed by Registrant on Form 20F on December 31, 2014
(16)	Filed as an Exhibit hereto

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

EAGLEFORD ENERGY CORP.

By: /s/ James Cassina

Name: James Cassina

Title: President, Chief Executive Officer and Chief Financial Officer

Date: December 30, 2015

INDEX TO FINANCIAL STATEMENTS

Audited Consolidated Financial Statements of Eagleford Energy Corp. for the years ended August 31, 2015, and 2014 , comprised of the following:

(a)	Independent Auditor's Report of Registered Public Accounting Firm, Schwartz Levitsky Feldman LLP, Chartered Accountants for the years ended August 31, 2015 and 2014;	F-2
(b)	Consolidated Statements of Financial Position for the years ended August 31, 2015 and 2014;	F-4
(c)	Consolidated Statements of Operations and Comprehensive Loss for the years ended August 31, 2015, 2014 and 2013;	F-5
(d)	Consolidated Statements of Shareholders' Equity (Deficiency) for the years ended August 31, 2015, 2014 and 2013;	F-6
(e)	Consolidated Statements of Cash Flows for the years ended August 31, 2015, 2014 and 2013;	F-7
(f)	Notes to the Consolidated Financial Statements.	F-8 - F-40

Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL

INDEPENDENT AUDITOR'S REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Eagleford Energy Corp.
(Formerly Eagleford Energy Inc.)

We have audited the accompanying consolidated financial statements of Eagleford Energy Corp. (formerly: Eagleford Energy Inc.) (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2015 and 2014, the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years ended August 31, 2015, 2014 and 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Eagleford Energy Corp. (formerly: Eagleford Energy Inc.) as at August 31, 2015 and 2014, and its financial performance and its cash flows for the years ended August 31, 2015, 2014 and 2013 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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Tel: 416 785 5353
Fax: 416 785 5663

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company incurred a net loss of $2,695,018 during the year ended August 31, 2015 and, as of that date its current liabilities exceeded its current assets by $3,233,160. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that, raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Schwartz Levitsky Feldman, llp

Toronto, Ontario, Canada
December 23, 2015

Chartered Accountants
Licensed Public Accountants

EAGLEFORD ENERGY CORP

(Formerly: Eagleford Energy Inc.)

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	August 31, 2015	August 31, 2014
Assets		
Current assets		
Cash	$ 32,192	$ 103,215
Trade and other receivables	51,323	157,121
Marketable securities (Note 6)	9,600	-
Total current assets	93,115	260,336
Non-current assets		
Exploration and evaluation assets (Note 7)	-	5,036,592
Total non-current assets	-	5,036,592
Total Assets	**$ 93,115**	$ 5,296,928
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities		
Trade and other payables	$ 1,630,809	$ 1,483,775
Shareholders' loans (Note 8 and 9)	339,588	981,834
Derivative liabilities (Note 10)	281,210	1,094,392
Provisions (Note 11 a)	11,563	11,768
Loans payable (Note 9)	1,063,105	-
Deferred revenue	-	177,804
Total current liabilities	3,326,275	3,749,573
Non-current liabilities		
Provisions (Note 11(a))	-	35,775
Derivative liabilities (Note 10)	-	4,231,015
Total non-current liabilities	-	4,266,790
Total liabilities	3,326,275	8,016,363
Shareholders' equity (deficiency)		
Share capital (Note 12 a)	9,997,792	9,072,181
Share purchase warrants (Note 12 b)	801,079	1,970,968
Share purchase options (Note 12 d)	272,553	170,972
Contributed surplus (Note 12 e)	3,829,105	1,389,898
Available-for-sale reserve	(110,525)	-
Foreign currency translation reserve	-	4,692
Accumulated deficit	(18,023,164)	(15,328,146)
Total shareholders' equity (deficiency)	(3,233,160)	(2,719,435)
Total Liabilities and Shareholders' Equity (Deficiency)	**$ 93,115**	$ 5,296,928

Going Concern (Note 1)
Related Party Transactions and Balances (Note 8)
Discontinued Operations and Dissolution of Subsidiary (Note 16)
Subsequent Events (Note 17)

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

Approved by the Board of Directors

/s/ *James Cassina*
James Cassina, Director

/s/ *Milton Klyman*
Milton Klyman, Director

EAGLEFORD ENERGY CORP

(Formerly: Eagleford Energy Inc.)

Consolidated Statements of Operations and Comprehensive Loss
For the years ended August 31,
(Expressed in Canadian Dollars)

	2015	2014	2013
Revenue			
Natural gas sales, net of royalties	$ 53,055	$ 65,024	$ 30,062
Expenses			
Operating costs	24,910	17,138	9,234
Depletion and accretion	-	1,536	13,283
General and administrative	89,007	403,425	582,364
Interest	280,299	284,038	76,783
(Gain) loss on derivative liabilities (Note 10)	(2,653,591)	2,735,476	128,041
Loss on foreign exchange	415,345	101,427	197,640
Marketing and public relations	(22,800)	(14,250)	25,763
Gain on disposal of subsidiary (Note 16 a)	(615,881)	-	-
Stock based compensation (Note 12 d)	84,520	-	-
Stock based compensation - non employees (Note 12 d)	28,173	-	-
Accretion of secured convertible note (Note 9)	475,755	-	-
Gain on settlement of litigation (Note 6)	(120,125)	-	-
Loss on settlement of debt (Note 12 b (c) and Note 9)	-	1,335,935	402,264
Impairment loss on exploration and evaluation assets (Note 7 and 16 a)	-	1,315,276	2,690,568
Impairment loss on property and equipment	-	-	168,954
Impairment loss on marketable securities	-	-	1
	(2,014,388)	6,180,001	4,294,895
Net income (loss) from continuing operations	2,067,443	(6,114,977)	(4,264,833)
Net loss from discontinued operations net of tax (Note 16 a)	(4,762,461)	(608)	(1,213)
Net loss	**(2,695,018)**	(6,115,585)	(4,266,046)
Other comprehensive income (loss)			
Items that may be re-classified subsequently to statements of operations			
Unrealized loss on marketable securities	(110,525)	-	-
Foreign currency translation			
Continuing operations	-	(203,765)	313,228
Discontinued operations	(4,692)	3,800	892
Total other comprehensive income (loss)	(115,217)	(199,965)	314,120
Net loss and comprehensive loss	**$ (2,810,235)**	$ (6,315,550)	$ (3,951,926)
Earnings (loss) per share, basic			
Continuing operations	**$ 0.075**	$ (0.482)	$ (0.407)
Discontinued operations	**$ (0.172)**	$ (0.000)	$ (0.000)
Total loss per share, basic	**$ (0.097)**	$ (0.482)	$ (0.407)
Earnings (loss) per share, diluted			
Continuing operations	**$ 0.055**	$ (0.482)	$ (0.407)
Discontinued operations	**$ (0.172)**	$ (0.000)	$ (0.000)
Total loss per share, diluted	**$ (0.117)**	$ (0.482)	$ (0.407)
Weighted average shares outstanding, basic (Note 12 c)*	**27,698,938**	12,675,329	10,477,429
Weighted average shares outstanding, diluted (Note 12 c)*	**37,555,135**	12,675,329	10,477,429

* Reflects the August 25, 2014 one-for-ten stock consolidation (Note 12 a)

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

EAGLEFORD ENERGY CORP

(Formerly: Eagleford Energy Inc.)

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended August 31, 2015, 2014 and 2013
(Expressed in Canadian Dollars)

	SHARE CAPITAL Number of Shares*	SHARE CAPITAL Amount $	SHARE PURCHASE WARRANTS $	SHARE PURCHASE OPTIONS $	CONTRI-BUTED SURPLUS $	FOREIGN CURRENCY TRANS-LATION RESERVE $	AVAILABLE FOR SALE RESERVE $	ACCU-MULATED DEFICIT $	TOTAL SHARE-HOLDERS' EQUITY DEFICIENCY $
Balance, August 31, 2012	9,671,281	5,906,633	1,422,526	170,972	506,200	(109,463)	-	(4,946,515)	2,950,353
Private placement of units	224,979	197,214	-	-	-	-	-	-	197,214
Issuance of shares as debt settlement	2,366,257	946,503	-	-	-	-	-	-	946,503
Foreign currency translation									
-continuing operations	-	-	-	-	-	313,228	-	-	313,228
-discontinued operations	-	-	-	-	-	892	-	-	892
Net loss									
-continuing operations	-	-	-	-	-	-	-	(4,264,833)	(4,264,833)
-discontinued operations	-	-	-	-	-	-	-	(1,213)	(1,213)
Balance, August 31, 2013	12,262,517	7,050,350	1,422,526	170,972	506,200	204,657	-	(9,212,561)	142,144
Warrants exercised	651,904	306,405	(78,238)	-	-	-	-	-	228,167
Warrants expired	-	-	(174,399)	-	174,399	-	-	-	-
Derivative warrants expired	-	-	-	-	709,299	-	-	-	709,299
Issuance of units as debt settlement	14,757,120	1,715,426	801,079	-	-	-	-	-	2,516,505
Foreign currency translation									
-continuing operations	-	-	-	-	-	(203,765)	-	-	(203,765)
-discontinued operations	-	-	-	-	-	3,800	-	-	3800
Net loss									
-continuing operations	-	-	-	-	-	-	-	(6,114,977)	(6,114,977)
-discontinued operations	-	-	-	-	-	-	-	(608)	(608)
Balance, August 31, 2014	27,671,541	9,072,181	1,970,968	170,972	1,389,898	4,692	-	(15,328,146)	(2,719,435)
Stock options expired	-	-		(11,112)	11,112	-	-	-	-
Warrants expired	-	-	(1,169,889)	-	1,169,889	-	-	-	-
Derivative warrants expired	-	-	-	-	1,258,206	-	-	-	1,258,206
Stock based compensation	-	-	-	112,693	-	-	-	-	112,693
Shares to be issued as debt extinguishment**	10,000,000	925,611	-	-	-	-	-	-	925,611
Unrealized loss on marketable securities	-	-	-	-	-	-	(110,525)	-	(110,525)
Foreign currency translation									
-discontinued operations	-	-	-	-	-	(4,692)	-	-	(4,692)
Net income (loss)									
-continuing operations	-	-	-	-	-	-	-	2,067,443	2,067,443
-discontinued operations	-	-	-	-	-	-	-	(4,762,461)	(4,762,461)
Balance, August 31, 2015	**37,671,541**	**9,997,792**	**801,079**	**272,553**	**3,829,105**	**-**	**(110,525)**	**(18,023,164)**	**(3,233,160)**

* Reflects the August 25, 2014 one-for-ten stock consolidation (Note 12 a)
**Common shares issuable upon the settlement of the secured convertible note subsequent to August 31, 2015 (Note 9)

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

EAGLEFORD ENERGY CORP
(Formerly: Eagleford Energy Inc.)

Consolidated Statements of Cash Flows
For the years ended August 31,
(Expressed in Canadian Dollars)

	2015	2014	2013
Cash provided by (used in)			
Operating activities			
Net loss	$ (2,695,018)	$ (6,115,585)	$ (4,266,046)
Items not involving cash:			
Depletion and accretion	1,498	2,449	13,283
(Gain) loss on derivative liabilities (Note 10)	(2,653,591)	2,735,476	128,041
Impairment loss on exploration and evaluation assets (Note 7 and 16)	4,490,045	1,315,276	2,690,568
Gain on disposal of subsidiary	(615,881)	-	-
Stock based compensation (Note 12 d)	112,693	-	-
Accretion of secured note (Note 9 and Note 10)	475,755	-	-
Gain on settlement of litigation (Note 6)	(120,125)	-	-
Decommissioning obligation expenditure	(205)	(706)	-
Impairment loss on marketable securities (Note 16 a)	167,815	-	1
Loss on settlement of debt (Note 12 b(c) and Note 9)	-	1,335,935	402,264
Impairment loss on property and equipment	-	-	168,954
Net changes in non-cash working capital (Note 13)	113,327	538,244	569,428
Net cash used in operating activities	(723,687)	(188,911)	(293,507)
Investing activities			
Additions to exploration and evaluations assets, net	(109,874)	(113,578)	(404,818)
Net cash used in investing activities	(109,874)	(113,578)	(404,818)
Financing activities			
Shareholders' loans, net	502,908	62,380	126,763
Loans payable	196,998	-	-
Secured note payable, net	-	83,629	66,240
Private placement of units, net of share issue costs	-	-	405,650
Net cash provided by financing activities	699,906	146,009	598,653
Decrease in cash for the year	(133,655)	(156,480)	(99,672)
Effect of exchange rate changes on cash	62,632	62,858	(33,494)
Cash, beginning of year	103,215	196,837	330,003
Cash, end of year	**$ 32,192**	$ 103,215	$ 196,837

Supplemental Cash Flow Information and Non-cash Transactions (Note 13)

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

1. Nature of Business and Going Concern

Eagleford Energy Corp. ("Eagleford" or the "Company") was amalgamated under the Business Corporations Act (*Ontario)* on November 30, 2009. The principal activities of the Company consist of exploration, development and production of petroleum and natural gas properties. In addition, the Company holds a 0.3% net smelter return royalty on 8 mining claim blocks located in Red Lake, Ontario which is carried on the consolidated statement of financial position at nil.

The Company's registered office is 1 King Street West, Suite 1505, Toronto, Ontario, M5H 1A1.

The Company's common shares trade on the Over-the-Counter Bulletin Board (OTCQB) under the symbol EGFDF.

The consolidated financial statements include the accounts of Eagleford, the legal parent, together with its wholly-owned subsidiary, 1354166 Alberta Ltd. ("1354166 Alberta") a company operating in the province of Alberta, Eagleford Energy, Zavala Inc., ("Zavala Inc.") a Nevada company and its wholly owned subsidiary EEZ Operating Inc. a Texas company ("EEZ Operating") a Texas company incorporated May 12, 2015, until the date of disposition of Zavala Inc., on August 31, 2015 and Dyami Energy LLC ("Dyami") which was dissolved effective April 3, 2014. These consolidated financial statements (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business, as they come due for the foreseeable future. The Company is in the process of exploring and developing its oil and gas properties and has not yet realized profitable operations. The Company requires additional financing for its working capital and for the costs of exploration and development of its oil and gas properties.

Due to continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. The Company will continue to seek additional forms of debt or equity financing, or other means of funding its operations, however, there is no assurance that it will be successful in doing so or that funds will be available on terms acceptable to the Company or at all. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company.

The Company has accumulated significant losses and negative cash flows from operations in recent years which raise doubt as to the validity of the going concern assumption. The Company has a working capital deficiency of $3,233,160 (2014: $3,489,237) and an accumulated deficit of $18,023,164 (2013: $15,328,146). These material uncertainties may cast significant doubt upon the entity's ability to continue as a going concern. Accordingly, the consolidated financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the accompanying consolidated financial statements.

2. Basis of Preparation

Statement of Compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee ("IFRAC"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 23, 2015, the date the Board of Directors approved the consolidated financial statements.

Basis of Measurement
The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

2. Basis of Preparation (continued)

Functional and Presentation Currency
The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's wholly-owned Alberta subsidiary, 1354166 Alberta, a company operating in the province of Alberta, Canada, is Canadian dollars. The functional currency of the Company's former wholly-owned Nevada subsidiary, Zavala Inc., and its' wholly-owned subsidiary EEZ Operating a Texas company, incorporated May 12, 2015 was United States dollars. The Company's former wholly-owned Texas subsidiary, Dyami functional currency was United States dollars.

Use of Estimates and Judgements
The timely preparation of the consolidated financial statements in accordance with IFRS requires that management make estimates and assumptions and use judgment regarding the measured amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Such estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are:

Valuation and Classification of Exploration and Evaluation Assets
The value of exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves which in turn is dependent on future oil and natural gas prices, future capital expenditures and environmental and regulatory restrictions. The decision to transfer exploration and evaluation assets to property and equipment is based upon management's determination of an area's technical feasibility and commercial viability based on proved and/or probable reserve estimates.

Title to Oil and Gas Property Interests
Although the Company has taken steps to verify title to oil and gas 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.

Stock Based Compensation
The Company measures the cost of equity-settled transactions to the relative fair value of the equity instruments at the date at which they are issued. Estimating relative fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the instrument. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, discount rates and dividend yield.

Decommissioning Liabilities
Decommissioning liabilities consist of asset retirement obligations that are based, in part, on estimates of future costs to settle the obligation, in addition to estimates of the useful life of the underlying assets, the rate of inflation and the risk-free discount rate.

Fair Value of Financial Instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

2. Basis of Preparation (continued)

Assessment of Commercial Reserves
Management is required to assess the level of the Company's commercial reserves together with the future expenditures to access those reserves, which are utilized in determining the depletion charge for the period, assessing whether any impairment charge is required against developed or undeveloped properties, and the determination of the deferred tax liability. By their nature, these estimates of discovered proved and probable crude oil and natural gas reserves, including the estimates of future prices, costs, related future cash flows and the selection of a pre-tax risked discount rate relevant to the asset in question are subject to measurement uncertainty.

The Company employs an independent reserves evaluator who periodically assesses the Company's level of commercial reserves by reference to data sets including geological, geophysical and engineering data together with reports, presentation and financial information pertaining to the contractual and fiscal terms applicable to the Company's assets. Significant judgment is involved when determining whether there have been any significant changes in the Company's reserves.

Income taxes
Income taxes liability is estimated for the Company, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the financial statements. Management's judgment is required in the calculation of current and deferred taxes, as well as the likelihood of realization.

Provisions
Considerable judgment is used in measuring and recognizing provisions and the exposure to contingent liabilities. Judgment is necessary to determine the likelihood that a pending litigation or other claim will succeed, or a liability will arise and to quantify the possible range of the final settlement.

Significant changes in the assumptions, including those with respect to future business plan and cash flows, could materially change the recorded carrying amounts.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company and its subsidiaries.

Basis of Consolidation
Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

The consolidated financial statements include the accounts of Eagleford, the legal parent, together with its wholly-owned subsidiary, 1354166 Alberta a company operating in the province of Alberta, Zavala Inc. a Nevada company and its wholly owned subsidiary EEZ Operating a Texas company incorporated May 12, 2015, until the date of disposition of Zavala Inc., on August 31, 2015 and Dyami which was dissolved effective April 3, 2014.

Revenue Recognition
Revenue is recognized when there is persuasive evidence that an arrangement exits which is when a contract or sales order is signed by both parties, delivery has occurred, ownership has been transferred to the customer, price is fixed or determinable and ultimate collection is reasonably assured at the time of delivery.

3. Summary of Significant Accounting Policies (continued)

Revenues from the production of oil and gas properties from 1354166 Alberta are recognized, on the basis of the Company's working interest in those properties, when the significant risks and rewards of ownership of the product is transferred to the buyer, which is usually when legal title passes to an external party.

Foreign Currency
Items included in the consolidated financial statements of each of the Company's wholly owned subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in other comprehensive income.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the year- end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in the foreign currency translation reserve under other comprehensive income.

Loss per Share
The basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the dilution that would occur if outstanding stock options and share purchase warrants were exercised or converted into common shares using the treasury stock method and are calculated by dividing net loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

The inclusion of the Company's stock options and share purchase warrants in the computation of diluted loss per share would have an anti-dilutive effect on loss per share and are therefore excluded from the computation.

Discontinued Operations
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period. Effective August 31, 2015, the Company assigned all of its right, title and interest in Zavala Inc., as partial settlement of a secured convertible note payable and accordingly its operations have been treated as discontinued operations in the Company's consolidated financial statements.

Comprehensive Income (Loss)
Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations. The Company's other comprehensive income (loss) is comprised of foreign currency translation reserve and available for-sale-assets.

Foreign currency translation is related to translation differences between the Company's US dollar functional currency subsidiaries converted into Canadian dollars at the period end exchange rates, and their results of operations converted at average rates of exchange for the period.

3. Summary of Significant Accounting Policies (continued)

Financial Instruments

Classification and Measurement

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as “fair value through profit and loss”, “loans and receivables”, “available-for-sale”, “held-to-maturity”, or “other financial liability” as defined by IAS 39, “Financial Instruments: Recognition and Measurement”.

Financial assets and financial liabilities at “fair value through profit or loss” are either classified as “held for trading” or “designated at fair value through profit or loss” and are measured at fair value with changes in fair value recognized in the statement of comprehensive income. Transaction costs are expensed when incurred. The Company has classified cash and derivative liabilities as “fair value through profit and loss”.

Financial instruments classified as “loans and receivables”, “held-to-maturity”, or “financial liabilities” are measured at amortized cost using the effective interest method of amortization. “Loans and receivables” are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. “Held-to-maturity” financial assets are non-derivative investments that an entity has the positive intention and ability to hold to maturity.

“Other financial liabilities measured at amortized cost” are those financial liabilities that are not designated as “fair value through profit or loss” and that are not derivatives. The Company has classified trade and other receivables as “loans and receivables” and trade and other payables, secured note payable, provisions and shareholders’ loans as “other financial liabilities”.

Financial assets classified as “available-for-sale” are measured at fair value, with changes in fair value recognized in other comprehensive income. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company has classified its marketable securities as “available for sale”.

Marketable Securities

At each financial reporting period, the Company estimates the fair value of investments which are available-for-sale, based on quoted closing bid prices at the consolidated statements of financial position date or the closing bid price on the last day the security traded if there were no trades at the consolidated statements of financial position date and such valuations are reflected in the consolidated financial statements. Adjustments to the fair value of the marketable securities at the financial position date are recorded to comprehensive income. The resulting values for unlisted securities whether of public or private issuers, may not be reflective of the proceeds that could be realized by the Company upon their disposition.

Derivative Financial Instruments

The Company’s derivative instruments consist of derivative liabilities in relation to its i) share purchase warrants; and ii) its secured convertible note payable.

In prior years the Company had issued share purchase warrants in conjunction with offerings for the purchase of common shares of the Company. These share purchase warrants were issued with an exercise price in US dollars, rather than Canadian dollars (the presentation and functional currency of the Company). Such share purchase warrants are considered to be derivative instruments and the Company is required to re-measure the fair value of these at each reporting date. The fair value of these share purchase warrants are re-measured at each statement of financial position date using the Black-Scholes option pricing model. Adjustments to the fair value of the share purchase warrants at the financial position date are recorded to the statement of operations.

3. Summary of Significant Accounting Policies (continued)

The Company had a secured convertible note payable that had a conversion feature which may convert any unpaid principal and accrued interest into conversion units. A conversion unit was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to acquire a common share of the Company at a price equal to a 15% premium to the price of the common share acquired under the conversion unit. The price of the conversion unit was the lesser of a price equal to the 30-day rolling weighted average price of the Company as of the date of conversion, less 20% (as adjusted for any stock splits, combinations or similar events) or eight United States Cents (US$0.08) per share the (“Conversion Unit”). The terms and features of the conversion met the definition of an embedded derivative. Since both components of the Conversion Unit (the common share component and warrant component) contain a variable exercise/conversion price, the Conversion Unit met the definition of a financial liability under IAS 32 “Financial Instruments: Presentation”. As a result, the Conversion Unit was a derivative liability that required fair value measurement each period. The Company had selected the Binomial Lattice model to fair value the warrant component of the conversion unit and the Monte Carlo Simulations process for the common share component of the conversion unit.

Exploration and Evaluation Assets (“E&E”)
Pre-acquisition expenditures on oil and gas assets are recognized as an expense in the consolidated statements of operations when incurred. In accordance with IFRS 6, exploration and evaluation costs are capitalized within intangible assets until the success or otherwise of the well or project has been established and subject to an impairment review. The costs of unsuccessful wells in an area are written off to the statement of operations.

Exploration and evaluation costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized either as tangible or intangible E&E assets according to the nature of the assets acquired. The costs are accumulated in cost centers by well, field or exploration area pending determination of technical feasibility and commercial viability.

When E&E assets are determined to be technically feasible and commercially viable, the accumulated costs are transferred to property and equipment. When E&E assets are determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to the statement of operations as exploration and evaluation expense.

E&E assets are assessed for impairment in any circumstances where sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, E&E assets are allocated to cash-generating units (“CGUs”).

Development and Production Costs
Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into CGUs for impairment testing.

When significant parts of an item of property and equipment, including petroleum and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property and equipment, including petroleum and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized in profit or loss.

3. Summary of Significant Accounting Policies (continued)

Subsequent Costs
Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property and equipment are recognized as exploration and evaluation assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized exploration and evaluation assets generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Joint Oil and Gas Activities
All of the Company's oil and gas activities are conducted jointly with others. The Company's accounts reflect only the Company's share of assets, liabilities, revenue and expenses in the joint operations. For interests in joint operations, the Company's share of the jointly controlled assets are classified according to the nature of the assets, the Company's share of any liabilities incurred jointly with the other parties, and the Company's share of any income and expenses incurred jointly with the partners are recognized in the consolidated financial statements.

Depletion and Depreciation
The net carrying value of development or production assets is depleted using the units-of-production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually for developed properties.

Proved and probable reserves are estimated using independent reserve engineer reports for developed properties only and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- a reasonable assessment of the future economic benefit of such production;
- a reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proved and probable if they are supported by either actual production or conclusive formation tests. The area of reservoir considered proved includes: (a) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any, or both; and (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment
Financial Assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3. Summary of Significant Accounting Policies (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. Remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

Non-financial Assets
The carrying amounts of the Company's non-financial assets, other than E&E assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. E&E assets are assessed for impairment when they are reclassified to property and equipment as petroleum and natural gas interests, and also if facts and circumstances suggest that their carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

E&E assets are allocated to related CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets (petroleum and natural gas interests in property and equipment).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than goodwill, impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses.

3. Summary of Significant Accounting Policies (continued)

Decommissioning Obligations
The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the period-end date. Subsequent to initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows and changes to discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Borrowing Costs
Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. All other borrowing costs are recognized in profit or loss using the effective interest method. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Taxes
Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statements of operations except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax
Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax
Deferred tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and asset and they relate to the income taxes levied by the same authority on the same taxable entity, or on different tax entities where these entities intend to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Share-Based Compensation
The Company has a share-based compensation plan that grants stock options to employees and non-employees. This plan is an equity settled plan. The Company uses the fair value method for accounting for share-based awards to employees and non-employees.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

3. Summary of Significant Accounting Policies (continued)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

Warrants
When the Company issues units comprising common shares and warrants, the Company follows the relative fair value method of accounting for warrants attached to and issued with common shares of the Company. Under this method, the fair value of warrants issued is estimated using the Black-Scholes option price model. The fair value is then related to the total of the net proceeds received on issuance of the common shares and the fair value of the warrants issued therewith. The resultant relative fair value is allocated to warrants from the net proceeds and the balance of the net proceeds is allocated to the common shares issued.

4. Recent Accounting Pronouncements and Recent Adopted Accounting Standards

Recent Issued Accounting Pronouncements
The following standards, amendments and interpretations, which may be relevant to the Company have been introduced or revised by the IASB:

(i) In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, and IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The Company intends to adopt IFRS 15 effective September 1, 2018.The Company does not expect the amendment to have a material impact on the consolidated financial statements.

(ii) On July 24, 2014, the IASB issued the complete IFRS 9 (IFRS 9 (2014)). In November 2009, the IASB issued the first version of IFRS 9, Financial Instruments (IFRS 9 (2009) and subsequently issued various amendments in October 2010, IFRS 9 Financial Instruments (2010) and November 2013 IFRS 9 Financial Instruments (2013). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company does not intend to adopt the new standard prior to its effective date and has not yet determined the impact of this new standard on the consolidated financial statements.

Recent Adopted Accounting Standards
The following standards, amendments and interpretations have been adopted by the Company as of September 1, 2014. There were no material impacts on the consolidated financial statements as a result of the adoption of these standards, amendments and interpretations: (i) IFRIC 21 Levies.

5. Segmented Information

The Company's reportable and geographical segments are Canada and the United States. The accounting policies used for the reportable segments are the same as the Company's accounting policies. For the purposes of monitoring segment performance and allocating resources between segments, the Company's executive officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments. Effective August 31, 2015, the Company discontinued its reportable segment in the United States. The following tables show information regarding the Company's reportable segments.

EAGLEFORD ENERGY CORP
(Formerly: Eagleford Energy Inc.)

Notes to the Consolidated Financial Statements
August 31, 2015 and 2014 and 2013
(Expressed In Canadian Dollars)

5. Segmented Information (continued)

For the year ended August 31, 2015	**Canada**	**United States**	**Total**
Net revenue, continuing operations	$ 53,055	-	$ 53,055
Net income, continuing operations	$ 2,067,443		$ 2,067,443
Net loss, discontinued operations	-	$ (4,762,461)	$ (4,762,461)
Net income (loss)	$ 2,067,443	$ (4,762,461)	$ (2,695,018)

For the year ended August 31, 2014	Canada	United States	Total
Net revenue, continuing operations	$ 65,024	-	$ 65,024
Net loss, continuing operations	$ (6,114,977)	-	$ (6,114,977)
Net loss, discontinued operations	-	$ (608)	$ (608)
Net loss	$ (6,114,977)	$ (608)	$ (6,115,585)

For the year ended August 31, 2013	Canada	United States	Total
Net revenue, continuing operations	$ 30,062	-	$ 30,062
Net loss, continuing operations	$ (4,264,833)	-	$ (4,264,833)
Net loss, discontinued operations	-	$ (1,213)	$ (1,213)
Net loss	$ (4,264,833)	$ (1,213)	$ (4,266,046)

As at August 31, 2015	**Canada**	**United States**	**Total**
Total Assets	$ 93,115	-	$ 93,115
Total Liabilities	$ (3,326,275)	-	$ (3,326,275)

As at August 31, 2014	Canada	United States	Total
Total Assets	$ 179,888	$ 5,117,040	$ 5,296,928
Total Liabilities	$ 6,991,287	$ 1,025,076	$ 8,016,363

6. Marketable Securities

As at August 31, 2015, the Company held 1,200,000 common shares in a quoted company security that had been acquired as a settlement of litigation. As at August 31, 2015, the Company recorded a change in the fair value of the securities in the statement of comprehensive income (loss) in the amount of $110,525 as follows:

Market value on acquisition	$ 120,125
Change in fair value	(110,525)
Market value, August 31, 2015	$ 9,600

7. Exploration and Evaluation Assets

Cost	
Balance August 31, 2013	$ 6,535,278
Additions, net	113,578
Change in decommissioning obligation estimates	7,225
Disposal of decommissioning obligations, Matthews Lease JDA	(26,426)
Impairment of Murphy Lease	(1,675,749)
Foreign exchange	82,686
Balance August 31, 2014	$ 5,036,592
Additions, net	109,874
Change in decommissioning obligation estimates	(11,253)
Impairment of Matthews Lease (Note 16 a)	(4,490,045)
Deconsolidation of Zavala Inc. (Note 16 a)	(1,212,996)
Foreign exchange	567,828
Balance August 31, 2015	**$ -**

7. Exploration and Evaluation Assets (continued)

The Company's exploration and evaluation assets were located in Texas, USA. During the year ended August 31, 2015, the Company recorded an impairment of $4,490,045 on its Matthews Lease as a result of the estimated reduction of leasehold acreage of the Matthews Lease and fair value upon the settlement of a secured convertible note. Effective August 31, 2015, the Company deconsolidated Zavala Inc. upon the assignment of Zavala Inc.'s common shares as partial satisfaction of the secured note extinguishment (Note 9 and Note16 a). During the year ended August 31, 2014, an impairment of $1,675,749 was recorded on the Murphy Lease (Note 16 b).

Matthews Lease, Zavala County, Texas
During the year ended August 31, 2013, the Company, Dyami Energy and OGR Energy Corporation, the Lessees, were litigating a dispute with the Lessors of the Matthew's property. During the last quarter of fiscal year August 2013, the Company and the Lessors agreed to resolve the litigation and continue with the development of the Matthew's property. In order to comply with certain State legal requirements, it was deemed necessary by the Lessors counsel to continue with the development through a newly executed lease document and the Company formed, Zavala Inc. a new wholly owned subsidiary to execute the new lease. The new lease was signed effective September 1, 2013 and the first of two payments of US$150,000 were paid to the Lessors upon signing the new lease as required initial pre-payment of anticipated production royalties along with a continuing development obligation under the lease to complete the previously drilled Matthews #1H horizontal well or drill a new well on the Matthews property no later than March 30, 2014. On September 1, 2013, the Matthews lease was renewed by the Company through Zavala Inc. and based on the concept of faithful representation under IAS 8, the carrying value of the Matthew's lease by Dyami Energy was considered to be the value for Zavala Inc. as this arrangement is simply a reorganization in substance.

On December 3, 2013, (amended January 21, 2014) the Company entered into a Joint Development Agreement with Stratex Oil and Gas Holdings, Inc. ("Stratex") (the "Stratex JDA") to further develop the Matthews Lease. Under the terms of the Stratex JDA, Stratex acted as operator and upon Stratex delivering i) US$150,000 to the lessors of the Matthews Lease on behalf of Zavala Inc., ii) delivering US $150,000 to the Company; and iii) commencing a hydraulic fracture of the Matthews #1H not later than March 31, 2014, Stratex earned a 66.67% working interest before payout (50% working interest after payout) in the Matthews #1H well and a 50% working interest in the 2,629 acre Matthews Lease (Note 17).

On April 11, 2014, the Company entered into a further Joint Development Agreement ("JDA2") with Stratex and Quadrant Resources LLC, ("Quadrant") for the development of the San Miguel formation on the Matthews Lease. Pursuant to the terms of the JDA2, upon satisfaction of certain conditions including the Phase 1 Work Program and the cash consideration described below, Quadrant could earn an undivided 66.67% before payout and a 50% working interest after payout to the base of the San Miguel formation of the Matthews Lease by i) drilling 3 new wells and reworking 5 wells at its sole cost and expense by June 30, 2015 (the "Phase I Work Program"); ii) deliver US$100,000 to the Company upon execution of the JDA2 (paid); and iii) deliver US$65,000 to the Company on each of July 8, 2014, October 6, 2014, January 5, 2015 and April 6, 2015. The Company recorded the cash payments and the payment of certain obligations under the Matthews Lease by Quadrant totaling $378,577 (US$303,712) as a reduction in exploration and evaluation assets. Under the terms of the JDA2 Quadrant was required to complete the Phase I Work Program and pay the Company cash consideration totaling US$360,000 by June 30, 2015, which it did not and accordingly the JDA2 expired without Quadrant earning any interest in the development area.

Effective March 31, 2015, the Company entered into a settlement with Stratex and Quadrant pursuant to which Stratex assigned all of its rights, title and interest in, to and under the Matthews Lease and the JDA, to the Company and Quadrant, and issued to the Company 1,333,333 common shares of Stratex as repayment of the disputed minimum royalty of US$152,293 and a further payment of US$25,000 was to be paid to the Company. EEZ Operating thereafter became the operator of the Matthews Lease (Note 17).

7. Exploration and Evaluation Assets (continued)

On July 2, 2015, the 2629 acre Matthews Lease transitioned into its production unit phase. A total of 340 acres were held as production units. Accordingly, the Company wrote down the lease to fair value of $1,212,996 and recorded an impairment of exploration and evaluation assets at August 31, 2015 of $4,490,045.

Murphy Lease, Zavala County, Texas
Subsequent to September 1, 2013 and the continuing development of the Matthews lease, Dyami Energy continued its development efforts with the Murphy lease. A tentative joint venture agreement with Stratex was reached but did not materialize and efforts to develop the Murphy lease were not successful. The Company had solicited lenders and investors in an attempt to obtain debt/equity financings as means to improve Dyami Energy's financial situation. Despite the Company's attempts, these efforts were unsuccessful and management determined that it could no longer fund the Murphy operations, hence the lease was considered impaired and an impairment loss was recorded by Dyami Energy during the third quarter of fiscal 2014 (Note 16 b).

On March 6, 2014, the Company filed a Certificate of Termination of a Domestic Entity with the Secretary of State, Texas for its wholly-owned subsidiary Dyami Energy and effective April 3, 2014, Dyami Energy was dissolved. All prior obligations with respect to the Matthew's and Murphy lease on the books of Dyami Energy prior to its dissolution were recorded by the Company.

8. Related Party Transactions and Balances

The following transactions with individuals related to the Company arose in the normal course of business have been accounted for at the exchange amount being the amount agreed to by the related parties, which approximates the arm's length equivalent value.

Compensation of Key Management Personnel
The remuneration of directors and other members of key management personnel during the years ended were as follows:

	August 31, 2015	August 31, 2014	August 31, 2013
Short term employee benefits (1)	$ 150,000	$ 75,000	$ 75,000
Directors stock based compensation (2)	84,520	-	-
	$ 234,520	$ 75,000	$ 75,000

The following balances owing to the President of the Company are included in trade and other payables and are unsecured, non-interest bearing and due on demand:

	August 31, 2015	August 31, 2014
Short term employee benefits (1)	$ 125,000	$ 281,250
	$ 125,000	$ 281,250

(1) During the year ended August 31, 2015 the Company accrued management fees for the President of the Company at a rate of $12,500 per month. On August 31, 2015, the President forgave $306,250 of management fees.
(2) On November 12, 2014, the Company granted options to purchase 750,000 common shares to three directors of the Company. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019 (Note 12 d).

As at August 31, 2015 the amount of directors' fees included in trade and other payables was $21,600 (August 31, 2014: $19,200).

8. Related Party Transactions and Balances (continued)

As at August 31, 2015, the Company had a promissory note payable to the President of the Company of $10,000 (August 31, 2014: $Nil). For the year ended August 31, 2015, the Company recorded interest on a promissory note to the President of $838 (August 31, 2014: $24,162). As at August 31, 2015, included in trade and other payables is outstanding interest of $111,009 (August 31, 2014: $91,727). The note is due on demand and bears interest at 10% per annum. Interest is payable annually on the anniversary date of the note. Effective February 27, 2014, 651,904 common share purchase warrants expiring February 27, 2014, were exercised by the President of the Company at $0.35, for settlement of cash advances of $228,167 (Note 12 b (a)). On August 30, 2014, the Company issued 1,628,700 units at $0.08 per unit as full settlement of a promissory note payable to the President of US$120,000 (Note 12 b (c) and Note 10).

As at August 31, 2015, the Company had a note payable to Core Energy Enterprises Inc. ("Core") of $339,588 (US$249,250) (August 31, 2014: US$249,250). For the year ended August 31, 2015, the Company recorded interest on the promissory note of $32,958 (August 31, 2014: $Nil). As at August 31, 2015, included in trade and other payables, is interest of $33,049 (August 31, 2014: $Nil). The note is due on demand and bears interest at 10% per annum. Interest is payable annually on the anniversary date of the note. During the year ended August 31, 2015, Zavala Inc. issued a note to Core in the amount $279,053 and recorded interest on the note of $4,353 (Note 9 and Note 16 a). The President of the Company is a major shareholder, officer and a director of Core.

As at August 31, 2015, the Company had, loans payable of $196,998 to 1288131 Alberta Ltd. (August 31, 2014: $Nil). For the year ended August 31, 2015, the Company recorded interest on the loans payable of $15,619. As at August 31, 2015, included in trade and other payables, is interest of $15,619 (August 31, 2014: $Nil). The loans are payable on demand and bear interest at 10% per annum. Colin McNeil a director of the Company, is also an officer, director and shareholder of 1288131 Alberta Ltd., (Note 17).

As at August 31, 2015, the Company had shareholders' loans payable of $866,107 (US$655,000). (August 31, 2014: US$655,000). For the year ended August 31, 2015, the Company recorded interest of $86,611 (August 31, 2014: $180,349) on the shareholders' loans. As at August 31, 2015, the Company received notice that the shareholders loans were assigned and the Company has reclassified the amount to loans payable. As at August 31, 2015, included in trade and other payables, is interest of $86,848 (August 31, 2014: $269). The loans are payable on demand and bear interest at 10% per annum. Interest is payable annually on the anniversary date of the loans. On August 30, 2014, the Company issued 13,128,420 units at $0.08 per unit as full settlement of shareholder loans payable of US$529,250, $250,000 and interest payable of $225,614 (Note 12 b (c), Note 9 and Note17).

9. Secured Note Payable and Shareholders' Loans

Secured Note Payable
As at August 31, 2014, the Company exchanged a secured note payable to Benchmark with a carrying value of $1,322,347 (US$1,216,175) for a secured convertible promissory note payable to Benchmark with a face value of $1,322,347 (US$1,216,175) (the "Note"). The Note had an interest rate of 10%. The Note was due on the earliest to occur of: (a) August 31, 2015; (b) the closing of any subsequent financing or series of financings by the Company that results in gross proceeds of an aggregate amount equal to or greater than US$4,400,000, excluding conversion of any existing debt into equity; (c) the date of a sale by the Company of all of the shares in the capital stock of Zavala Inc. held by the Company from time to time; (d) the closing of a merger, reorganization, take-over or other business combination which results in a change of control of the Company or Zavala Inc.; or (e) an event of default. The Note was secured by all of the assets of the Company and Zavala Inc. Benchmark had the option at any time while the Note was outstanding to convert any unpaid principal and accrued interest into conversion units

9. Secured Note Payable and Shareholders' Loans (continued)

The Company had accounted for this transaction as an exchange of debt instruments. Under IAS 39 "Financial Instruments: Recognition and Measurement", an exchange between an existing borrower and lender of debt instruments with substantially different terms or substantial modification of the terms of an existing financial liability of part thereof is accounted for as an extinguishment. Since the new debt instrument had a conversion option, the terms were considered substantially different and therefore gave rise to extinguishment accounting. Further, the Company analyzed the conversion unit under IAS 39 and determined that it meets the definition of an embedded derivative. Since both components of the Conversion Unit (the common share component and warrant component) contain a variable exercise/conversion price, the Conversion Unit meets the definition of a financial liability under IAS 32 "Financial Instruments: Presentation". As a result, the Conversion Unit is a derivative liability that requires fair value measurement each period.

As at August 31, 2014, the Company allocated the old note first to the derivative component at its fair value with the residual allocated to the host debt contract, as follows:

		Allocation CDN$
Secured promissory note (old debt instrument)	$	1,322,347
Derivative liability (Conversion Unit)		(4,000,100)
Loss on exchange of debt instruments		2,677,753
	$	-

The Note was being accreted up to its face value of $1,322,347 (US$1,216,175) over the life of Note based on an effective interest rate. For the year ended August 31, 2015, the Company recorded interest on the Note of $154,179 (August 31, 2014: $104,237).

In accordance with the terms of the Note and the General Security Agreement (the "Loan Agreements") the Company had granted and conveyed to Benchmark a first priority security interest in the Company and Zavala Inc., prior and superior to the rights of all third parties existing on or arising after the date of such Loan Agreements, subject to the Permitted Liens.

At August 31, 2015, the Company was unable to pay the Note CDN$1,608,149 plus interest of CDN$154,179, totaling CDN$1,762,328, which constituted an event of default pursuant to the terms of the Loan Agreements. Benchmark, having made demand for payment of all amounts owed to it under the Note, gave notice to the Company that it intended to exercise its security on the Company's assets.

In an effort to avoid further costs, the Company and Benchmark entered into a Settlement and Exercise of Security Agreement effective August 31, 2015, with the following terms:

1. Effective August 31, 2015, the Company assigns and conveys to Benchmark all of its rights, title and interest in and to Zavala Inc., including but not limited to all of the issued and outstanding common shares of Zavala Inc.; and
2. Issuance of 10,000,000 shares of common stock of the Company.

As a result the Company's extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 (Note 16 a).

9. Secured Note Payable and Shareholders' Loans (continued)

The following table presents the effect of the extinguishment of the Note on the consolidated financial statements of the Company:

		August 31, 2015
Secured note payable	$	1,608,149
Interest payable		154,179
Net assets and liabilities of Zavala Inc. (Note 16 a)		(836,717)
Common shares (Note 12 a)		(925,611)
	$	-

Shareholder Loans
Effective August 30, 2014, the Company converted shareholders' loans and interest due in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,120 units in the capital of the Company at a price of $0.08 per unit. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017. The fair value of the units ($2,516,505) was allocated to common shares $1,715,426 and warrants $801,079 based on their relative fair values and $1,335,935 was recorded as loss on settlement of debt. The original terms of the debt did not include settlement by the issuance of equity instruments.

Accounting Considerations

The Company has accounted for this transaction as an extinguishment of debt instruments for equity instruments under the guidance of IFRIC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments". IFRIC 19 addresses the accounting of when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It states that if a debtor issues equity instruments to a creditor to extinguish all or part of a financial liability, those equity instruments are 'consideration paid' in accordance with IAS 39.41. Accordingly, the debtor should derecognise the financial liability fully or partly. IFRIC 19 further states that the debtor recognises in profit or loss the difference between the carrying amount of the financial liability (or part) extinguished and the fair value of the equity instruments issued. As result, the Company recorded a loss on extinguishment in the amount of $1,335,935 in profit and loss which is the difference of the fair value of the equity instruments ($2,516,505) and the carrying value of the debt instruments ($1,180,570).

The warrant component was valued using a Binomial Lattice model whereas the fair value of the common share component was based on the current market value of the company's stock. The fair value of the conversion unit ($2,516,505) was allocated to the common stock component ($1,715,426) and warrant component ($801,079) based on their relative fair values. Significant assumptions utilized in the Binomial Lattice process are as follows for the warrant component of the conversion unit as of August 30, 2014:

		August 30, 2014
Market value on valuation date	$	0.16
Contractual exercise rate	$	0.092
Term (years)		5.00 Years
Expected market volatility		196.97%
Risk free rate using zero coupon US Treasury Security rate		0.94%

10. Derivative Liabilities

At August 31, 2015, the Company recorded a net gain on derivative liabilities of $2,653,591 comprised of a loss on derivative warrant liabilities of $214,109 and a gain derivative unit liabilities of $2,867,700 (August 31, 2014: loss of $2,735,476 comprised of a loss on derivative warrant liabilities of $57,725 and a loss on derivative unit liabilities of $2,677,751).

Derivative Warrant Liabilities
The Company has warrants issued with an exercise price in US dollars which are different from the functional currency of the Company (Canadian Dollars) and accordingly the warrants are treated as a financial liability and the fair value movement during the period is recognized in the profit or loss.

The following table set out the changes in derivative warrant liabilities during the respective periods.

	Number of Warrants*	Fair Value Assigned $	Average Exercise Price US $
As at August 31, 2013	914,761	1,976,883	4.72
Warrants expired	(170,923)	(709,299)	(0.93)
Change in fair value estimates	-	57,723	-
As at August 31, 2014	743,838	1,325,307	3.74
Warrants expired	(613,350)	(1,258,206)	(4.66)
Change in fair value estimates	-	214,109	
As at August 31, 2015	**130,488**	**281,210**	**4.66**

* Reflects the August 25, 2014 one-for-ten consolidation

On August 31, 2014 170,923 warrants exercisable at US$5.00 expired and the fair value measured using the Black-Scholes option pricing model of $709,299 was recorded as an increase to contributed surplus.

On April 13, 2015, 187,500 and 30,000 warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $535,542 was recorded as an increase to contributed surplus.

On July 20, 2015, 91,250 and 14,600 warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $194,409 was recorded as an increase to contributed surplus.

On August 7, 2015, 250,000 and 40,000 warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $528,255 was recorded as an increase to contributed surplus.

The following tables set out the number of derivative warrant liabilities outstanding as at August 31, 2015 and 2014, respectively:

Number of Warrants*	Exercise Price US ($)*	Expiry Date	Weighted Average Remaining Life (Years)	Fair Value CDN ($)
112,490	5.00	September 25, 2015(1)	0.07	220,640
17,998	2.50	September 25, 2015(1)	0.07	60,570
130,488			**0.07**	**281,210**

* Reflects the August 25, 2014 one-for-ten consolidation
(1) Current

10. Derivative Liabilities (continued)

Number of Warrants*	Exercise Price US ($)*	Expiry Date	Weighted Average Remaining Life (Years)	Fair Value CDN ($)
187,500	5.00	April 13, 2015 (1)	0.62	365,474
30,000	2.50	April 13, 2015(1)	0.62	99,420
91,250	5.00	July 20, 2015(1)	0.88	133,431
14,600	2.50	July 20, 2015(1)	0.88	35,915
250,000	5.00	August 7, 2015(1)	0.93	365,964
40,000	2.50	August 7, 2015(1)	0.93	94,188
112,490	5.00	September 25, 2015	1.07	181,178
17,998	2.50	September 25, 2015	1.07	49,737
743,838			0.70	1,325,307

(1) Current
* Reflects the August 25, 2014 one-for-ten consolidation

Derivative Unit Liabilities

The following tables summarize the components of the Company's derivative liabilities reflected in US Dollars and linked common shares as at August 31, 2015 and 2014:

	August 31, 2015		August 31, 2014	
The financings giving rise to derivative financial instruments	Indexed Shares	Fair Values $CDN	Indexed Shares	Fair Values $CDN
Conversion unit (1 common share and 1 common share purchase warrant)	-	-	15,202,188	(4,000,100)

Effective August 31, 2015, the Company entered into a Settlement and Exercise of Security Agreement and extinguished the Note and its underlying derivative financial instruments. At August 31, 2014 the Company issued a face value $1,322,347 (US$1,216,175) Secured Convertible Promissory Note which gave rise to a derivative financial instrument (the "Note"). The Note had embodied certain terms and conditions that were not clearly and closely related to the host debt agreement in terms of economic risks and characteristics and met the definition of a financial liability under IAS 32 "Financial Instruments: Presentation". These terms and conditions consisted of a conversion unit which was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to acquire a common share of the Company at a price equal to a 15% premium to the price of the common share acquired under the conversion unit (Note 9).

Accounting principles provided in IAS 32 and IAS 39 required derivative financial instruments to be classified in liabilities and carried at fair value with changes recorded in profit and loss. The Company had selected the Monte Carlo Simulations valuation technique to fair value the common share component of the conversion unit because it believed that this technique was reflective of significant assumption types, and ranges of assumption inputs, that market participants would likely consider in transactions involving common share components. Such assumptions included, among other inputs, interest risk assumptions, credit risk assumptions and redemption behaviors in addition to traditional inputs for option models such as market trading volatility and risk free rates.

The Company had selected the Binomial Lattice model to fair value the warrant component of the conversion unit because it believed this technique is reflective of significant assumption types market participants would likely consider in transactions involving warrants.

10. Derivative Liabilities (continued)

Significant inputs and results arising from the Monte Carlo Simulations process were as follows for the common share component contained in the conversion unit:

		August 31, 2014
Underlying price on valuation date*	$	0.3090
Contractual conversion rate	$	0.08
Contractual term to maturity		1.00 Years
Implied expected term to maturity		0.613 Years
Market volatility:		
Range of volatilities		78.41% - 269.09%
Equivalent volatility		181.25%
Contractual interest rate		10.0%
Equivalent market risk adjusted interest rate		10.00%
Equivalent credit risk adjusted yield		3.45%

*The underlying price of the common share component of the conversion unit was the sum of the market price on the valuation date and the fair value of the warrant component derived from the binomial lattice model.

Significant assumptions utilized in the Binomial Lattice process are as follows for the warrant component of the conversion unit was as follows:

		August 31, 2014
Market value on valuation date	$	0.16
Contractual exercise rate	$	0.092
Term (years)		5.00 Years
Expected market volatility		179.21%
Risk free rate using zero coupon US Treasury Security rate		1.63%

11. Provisions

		Decommissioning Obligations (Note a)		Other Provisions (Note b)		Total Provisions
Balance, August 31, 2013	$	119,742	$	178,553	$	298,295
Accretion expense		961		-		961
Change in estimates		7,225		-		7,225
Disposals		(26,426)		-		(26,426)
Reductions		-		(169,196)		(169,196)
Dissolution of subsidiary (Note 16 b)		(58,589)				(58,589)
Foreign exchange		4,630		(9,357)		(4,727)
Balance, August 31, 2014	$	47,543	$	-	$	47,543
Accretion expense		1,498		-		1,498
Change in estimates		(11,253)		-		(11,253)
Additions		98,357		-		98,357
Obligations settled		(205)		-		(205)
Deconsolidation of Zavala Inc.(Note 16 a)		(102,143)		-		(102,143)
Foreign exchange		(22,234)		-		(22,234)
Balance, August 31, 2015	**$**	**11,563**	**$**	**-**	**$**	**11,563**

11. Provisions (continued)

a) Decommissioning Obligations

The Company's decommissioning obligations result from its ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The total decommissioning obligation is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities, and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of decommissioning obligations to be $11,563 as at August 31, 2015 (August 31, 2014: $47,543 ($11,768 current and $35,775 long term)) based on an undiscounted total future liability of $11,563 (August 31, 2014: $60,629). These payments are expected to be incurred during 2016.

b) Other Provisions

On January 28, 2014, a vendor of Dyami Energy received a summary judgment against Dyami Energy in the amount of $169,196 plus interest at a rate of 18% per annum from September 17, 2012 until paid, and legal fees of $21,178 and interest at a rate of 5% per annum from the date of judgment until paid (District Court of Zavala County, Texas Case No. 13-02-12941-ZCV). During 2013 the full amount of the provision was recorded together with legal fees and interest and transferred to trade and other payables.

12. Share Capital and Reserves

The Company filed Articles of Amendment effective August 25, 2014 consolidating the common shares of Eagleford Energy Inc., on the basis of one (1) common share for every ten (10) common shares and changing its name to Eagleford Energy Corp. The stock consolidation has been applied retrospectively for all periods presented.

a Share Capital

Authorized:
Unlimited number of common shares at no par value
Unlimited non-participating, non-dividend paying, voting redeemable preference shares

Issued:
The following table sets out the changes in common shares during the respective periods:

Common Shares	Number*		Amount
Balance August 31, 2013	12,262,517	$	7,050,350
Warrants exercised (Note 12 b (a))	651,904		306,405
Debt settlement (Note 12 b (c))	14,757,120		1,715,426
Balance August 31, 2014	27,671,541		9,072,181
Common shares issuable upon the settlement of secured convertible note (Note 9)**	10,000,000		925,611
Balance August 31, 2015	**37,671,541**	**$**	**9,997,792**

* Reflects the August 25, 2014 one-for-ten stock consolidation
**Common shares issuable upon the settlement of the secured convertible note subsequent to August 31, 2015 (Note 9)

12. Share Capital and Reserves (continued)

b Share Purchase Warrants

The following table sets out the changes in warrants during the respective periods:

	August 31, 2015		August 31, 2014	
Warrants	**Number of Warrants***	**Weighted Average Price***	**Number of Warrants***	**Weighted Average Price***
Outstanding, beginning of period	9,293,560	$ 0.18	4,020,095	$ 0.40
Warrants exercised (Note 12 b (a))			(651,904)	$ 0.35
Warrants expired (Note 12 b (d) and (b))	(1,915,000)	$ 0.50	(1,453,191)	$ 0.35
Warrants issued (Note 12 (c))			7,378,560	$ 0.10
Balance, end of period	**7,378,560**	**$ 0.10**	9,293,560	$ 0.18

* Reflects the August 25, 2014 one-for-ten stock consolidation

(a) Effective February 27, 2014, 651,904 common share purchase warrants were exercised at $0.35 expiring February 27, 2014 for settlement of cash advances of $228,167. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $78,238 (Note 8).

(b) On February 5, 2014, 200,000 common share purchase warrants exercisable at $0.35 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $24,000 with a corresponding increase to contributed surplus. On February 25, 2014, 80,052 common share purchase warrants exercisable at $0.35 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $9,606 with a corresponding increase to contributed surplus. On February 27, 2014, 1,173,139 common share purchase warrants exercisable at $0.35 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $140,793 with a corresponding increase to contributed surplus.

(c) Effective August 30, 2014, the Company converted shareholders' loans and interest due in the aggregate amount of $1,180,570 through the issuance of a total of 14,757,120 units in the capital of the Company at a price of $0.08 per unit. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017. The fair value of the units ($2,516,505) was allocated to common shares $1,715,426 and warrants $801,079 based on their relative fair values and $1,335,935 was recorded as a loss on settlement of debt in the consolidated statement of operations and comprehensive loss. The warrant component was valued using a Binomial Lattice model whereas the fair value of the common share component was based on the current market value of the company's stock (Note 9 and 10).

(d) On January 24, 2015, 600,000 common share purchase warrants exercisable at $0.50 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $507,038 with a corresponding increase to contributed surplus. On February 17, 2015, 1,315,000 common share purchase warrants exercisable at $0.50 expired. The amount allocated to warrants based on relative fair value using the Black-Scholes option pricing model was $662,851 with a corresponding increase to contributed surplus.

(e) Effective August 31, 2015, the Company entered into a Settlement and Exercise of Security Agreement to extinguish a secured convertible note payable in the amount of $1,608,149 plus interest of $154,179 for a total of $1,762,328. As partial consideration of the settlement the Company agreed to shares of common stock of the Company with a fair value of $925,611 (Note 9).

12. Share Capital and Reserves (continued)

The following table summarizes the outstanding warrants as at August 31, 2015 and 2014, respectively:

Number of Warrants*		Exercise Price*	Expiry Date	Weighted Average Remaining Life (Years)		Warrant Value ($)
7,378,560	**$**	**0.10**	**August 30, 2017**	**2.00**		**801,079**

* Reflects the August 25, 2014 one-for-ten stock consolidation

Number of Warrants*		Exercise Price*	Expiry Date	Weighted Average Remaining Life (Years)		Warrant Value ($)
600,000	$	0.50	January 24, 2015	0.40	$	507,038
1,315,000	$	0.50	February 17, 2015	0.47		662,851
7,378,560	$	0.10	August 30, 2017	3.00		801,079
9,293,560	**$**	**0.50**		**2.47**	**$**	**1,970,968**

* Reflects the August 25, 2014 one-for-ten stock consolidation

c Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	August 31, 2015	August 31, 2014*
Weighted Average Shares Outstanding, basic	**27,698,938**	12,675,329
Weighted Average Shares Outstanding, diluted	**37,555,135**	12,675,329

* Reflects the August 25, 2014 one-for-ten stock consolidation

The effects of any potential dilutive instruments on loss per share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per share.

d Share Purchase Options

The Company has a stock option plan to provide incentives for directors, officers, employees and consultants of the Company. The maximum number of shares, which may be set aside for issuance under the stock option plan, is 20% of the issued and outstanding common shares of the Company on a rolling basis

The following table is a summary of the status of the Company's stock options and changes during the period:

	Number of Options*		Weighted Average Exercise Price
Balance, August 31, 2014 and 2013	105,000	$	1.64
Granted	1,000,000		0.12
Expired	(5,000)		(1.64)
Balance, August 31, 2015	**1,100,000**	**$**	**0.25**

* Reflects the August 25, 2014 one-for-ten stock consolidation

12. Share Capital and Reserves (continued)

The following table is a summary of the Company's stock options outstanding and exercisable as at August 31, 2015 and 2014, respectively:

	Options Outstanding			Options Exercisable	
Exercise Price	**Number of Options***	**Weighted Average Exercise Price**	**Weighted Average Remaining Life (Years) (1)**	**Number of Options***	**Weighted Average Exercise Price**
$ 1.60	100,000	$ 1.60	1.50	100,000	$ 1.60
$ 0.12	1,000,000	$ 0.12	4.20	1,000,000	$ 0.12
	1,100,000	**$ 0.25**	**3.95**	**1,100,000**	**$ 0.25**

* Reflects the August 25, 2014 one-for-ten stock consolidation

	Options Outstanding			Options Exercisable	
Exercise Price	**Number of Options***	**Weighted Average Exercise Price**	**Weighted Average Remaining Life (Years) (1)**	**Number of Options***	**Weighted Average Exercise Price**
$ 1.60	100,000	$ 1.60	2.50	1,00,000	$ 1.60
$ 2.50	5,000	$ 2.50	0.16	5,000	$ 2.50
	105,000	**$ 1.64**	**2.39**	**105,000**	**$ 1.64**

* Reflects the August 25, 2014 one-for-ten stock consolidation

Stock Based Compensation
On November 12, 2014, the Company granted options to purchase 750,000 common shares to directors. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019. The Company recorded non-cash stock based compensation expense of $84,520.

Stock Based Compensation – Non Employees
On November 12, 2014, the Company granted options to purchase 250,000 common shares to a consultant of the Company. These options are exercisable at $0.12 per share, vest immediately and expire on November 11, 2019. The Company recorded non-cash stock based compensation expense of $28,173.

The fair value of the stock options granted were estimated on the date of the grant using the Black Scholes option pricing model with the following weighted average assumptions used.

	November 12, 2014
Weighted average fair value per option	$ 0.11
Weighted average risk free interest rate	1.54%
Forfeiture rate	0%
Weighted average expected volatility	287.49%
Expected life (years)	5
Dividend yield	Nil

12. Share Capital and Reserves (continued)

e Contributed Surplus

Contributed surplus transactions for the respective periods are as follows:

		Amount
Balance, August 31, 2013	$	506,200
Warrants expired (Note 12 b)		174,399
Derivative warrants expired (Note 10)		709,299
Balance, August 31, 2014		1,389,898
Stock options expired (Note 12 d)		11,112
Warrants expired (Note 12 b)		1,169,889
Derivative warrants expired Note 10)		1,258,206
Balance, August 31, 2015	**$**	**3,829,105**

13. Supplemental Cash Flow Information and Non-Cash Transactions

The following table summarizes the non-cash transactions for the years set out:

Non-cash transactions	**August 31, 2015 ($)**	August 31, 2014 ($)	August 31, 2013 ($)
Warrants expired	(1,169,889)	-	-
Stock options expired	(11,112)	-	-
Stock based compensation	112,693	-	-
Derivative warrants expired	(1,258,206)	(709,299)	-
Warrants exercised for settlement of cash advances	-	228,167	-
Disposal of decommissioning obligation	135,064	26,426	-
Royalties paid under Matthews JDA	-	(167,715)	-
Units issued to settle debt	-	1,180,570	-
Warrants exercised	-	(78,238)	-
Shares issued for interest on secured note and shareholders' loans	-	-	601,576
Broker warrants issued	-	-	44,895
Shares to be issued to settle debt	925,611	-	344,927

The following table summarizes the changes in non-cash working capital for the years set out:

Changes in non-cash working capital		**August 31, 2015**		August 31, 2014		August 31, 2013
Trade and other receivables	$	137,652	$	(129,335)	$	(10,261)
Trade and other payables		153,479		331,480		339,622
Deferred revenue		(177,804)		177,804		-
Prepaid expenses and deposits		-		158,295		(158,295)
Provisions		-		-		398,362
Net change	$	113,327	$	538,244	$	569,428

14. Financial Instruments and Concentration of Risks

The Company has classified its financial instruments as follows:

Financial Instrument	Category	Measurement method
Cash	Fair value through profit or loss	Fair value
Marketable securities	Available-for-sale	Fair value
Derivative liabilities	Fair value through profit or loss	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Provisions	Other financial liabilities	Amortized cost
Secured note payable, shareholders' loans and loans payable	Other financial liabilities	Amortized cost

The types of risk exposure and the ways in which such exposures are managed are as follows:

Credit Risk
Credit risk is primarily related to the Company's receivables from joint venture partners and the risk of financial loss if a partner or counterparty to a financial instrument fails to meet its contractual obligations. Receivables from joint venture partners are normally collected within one to three months of the joint venture bill being issued to the partner. The Company historically has not experienced any collection issues with its joint venture partners to date. The Company attempts to mitigate the risk from joint venture receivables by obtaining partner approval of significant capital expenditures prior to expenditure. The Company establishes an allowance for doubtful accounts as determined by management based on their assessed collectability; therefore, the carrying amount of trade and other receivables generally represents the maximum credit exposure. The Company believes that its counterparties currently have the financial capacity to settle outstanding obligations in the normal course of business.

Concentration risks exist in cash because significant balances are maintained with one financial institution. The risk is mitigated because the financial institution is an international bank.

The Company's maximum exposure to credit risk is as follows:

	August 31, 2015	August 31, 2014
Cash	$ 32,192	$ 103,215
Trade and other receivables	51,323	157,121
Balance	$ 83,515	$ 260,336

Liquidity Risk
The Company monitors its liquidity position regularly to assess whether it has the funds necessary to fulfill planned exploration commitments on its oil and gas properties or that viable options are available to fund such commitments from new equity issuances or alternative sources such as farm-out agreements. However, as an exploration company at an early stage of development and without significant internally generated cash flow, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual exploration expenditures may exceed those planned. The current uncertainty in global markets have had an impact on the Company's ability to access capital or other viable options on terms that are acceptable to the Company.

The following table illustrates the contractual maturities of financial liabilities:

August 31, 2015	**Payments Due by Period**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and others payables	$ 1,630,809	$ 1,630,809	-	-	-
Shareholders' loans (1)	339,588	339,588	-	-	-
Loans payable (1)	1,063,105	1,063,105	-	-	-
Total	$ 3,033,502	$ 3,033,502	-	-	-

(1) Translated at current exchange rate.

14. Financial Instruments and Concentration of Risks (continued)

August 31, 2014	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and others payables	$ 1,483,775	$ 1,483,775	-	-	-
Shareholders' loans (1)	981,834	981,834	-	-	-
Total	$ 2,465,609	$ 2,465,609	-	-	-

(2) Translated at current exchange rate.

Market Risk
Market risk represents the risk of loss that may impact the Company's financial position, results of operations, or cash flows due to adverse changes in financial market prices, including interest rate risk, foreign currency exchange rate risk, commodity price risk, and other relevant market or price risks. The Company does not use derivative financial instruments or derivative commodity instruments to mitigate this risk.

The oil and gas industry is exposed to a variety of risks including the uncertainty of finding and recovering economic reserves, the performance of hydrocarbon reservoirs, securing markets for production, commodity prices, interest rate fluctuations, potential damage to or malfunction of equipment and changes to income tax, royalty, environmental or other such factors.

Market events and conditions in recent years including oil and gas supply and demand, disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions have caused significant volatility to commodity prices. These conditions contributed to a loss of confidence in the broader U.S. and global credit and financial markets and the oil and gas sector. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions contributed to further deteriorate the broader credit markets and stock market declines. These factors have negatively impacted company valuations and may impact the performance of the global economy going forward. Although economic conditions improved, the recovery has been slow in various sectors including in Europe and North America and has been impacted by various ongoing factors including sovereign debt levels and high levels of unemployment which continue to impact commodity prices and to result in volatility in the stock market.

The Company mitigates these risks by:

- attempts to utilize competent, professional consultants as support to management,
- reviewing available petrophyisical analysis of prospects,
- focusing on a limited number of properties.

(i) Commodity Price Risk

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world economic events that affect the levels of supply and demand.

The Company believes that movement in commodity prices that are reasonably possible over the next twelve month period may have a significant impact on the Company as all its oil properties are still in a development stage.

14. Financial Instruments and Concentration of Risks (continued)

Commodity Price Sensitivity

The following table summarizes the sensitivity of the fair value of the Company's risk management position for the year ended August 31, 2015 and 2014 to fluctuations in natural gas prices, with all other variables held constant. When assessing the potential impact of these price changes, the Company believes that 10 percent volatility is a reasonable measure. Fluctuations in natural gas prices potentially could have resulted in unrealized gains (losses) impacting net income as follows:

	2015		2014	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Net revenue	$ 59,918	$ 46,192	$ 72,451	$ 57,597
Net income (loss)	$ 2,074,306	$ 2,060,580	$ (6,107,550)	$ (6,122,404)

(ii) Currency Risk

The Company is exposed to the fluctuations in foreign exchange rates. The prices received by the Company for the production of natural gas and natural gas liquids are primarily determined in reference to United States dollars but are settled with the Company in Canadian dollars. The Company's cash flow for commodity sales will therefore be impacted by fluctuations in foreign exchange rates.

The Company operates in Canada and a portion of its expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar could have an effect on the Company's financial instruments. The Company does not hedge its foreign currency exposure.

The following assets and liabilities are denominated in US dollars at August 31, 2015 and 2014:

	August 31, 2015	August 31, 2014
Cash	22,166	$ 73,099
Trade and other receivables	24,154	74,091
Trade and other payables	(873,523)	(882,877)
Shareholders' loans	(249,250)	(904,250)
Derivative liabilities	(212,668)	(4,899,511)
Loans payable	(776,000)	-
Prepaid expenses and deposits	-	27,478
Exploration and evaluation assets	-	4,638,600
Deferred revenue	-	(165,000)
Provisions	-	(32,948)
Net assets denominated in US$	$ (2,065,121)	$ (2,071,318)
Net asset CDN dollar equivalent at period end [1]	$ (2,730,710)	$ (2,249,038)

(1) Translated at the exchange rate in effect at August 31, 2015 $1.3223 (August 31, 2014 $1.0858)

The following table shows the estimated sensitivity of the Company's total comprehensive loss for the periods set out from a change in the U.S dollar exchange rate in which the Company has exposure with all other variables held constant.

Percentage change in US Dollar	**August 31, 2015** Increase	Decrease	August 31, 2014 Increase	Decrease
	In total comprehensive loss from a change in % in the US Exchange Rate ($)		In total comprehensive loss from a change in % in the US Exchange Rate ($)	
5%	(180,541)	180,541	(122,100)	122,100
10%	(361,082)	361,082	(244,201)	244,201
15%	(541,623)	541,623	(366,301)	366,301
20%	(722,163)	722,163	(488,401)	488,401

14. Financial Instruments and Concentration of Risks (continued)

(iii) Interest Rate Risk
Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The majority of the Company's debt is short-term in nature with fixed rates. Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Company.

(iv) Fair Value of Financial Instruments
The Company's financial instruments included on the consolidated statement of financial position as at August 31, 2015 and 2014 are comprised of cash, derivative liabilities, trade and other receivables, trade and other payables, loans payable, shareholders' loans and provisions.

The Company classifies the fair value of financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument.

• Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

• Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

	August 31, 2015		August 31, 2014	
Financial Instrument Classification	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
Fair value through profit or loss:				
Cash	32,192	32,192	103,215	103,215
Derivative liabilities	281,210	281,210	5,325,407	5,325,407
Loans and receivables:				
Trade and other receivables	51,323	51,323	157,121	157,121
Other financial liabilities:				
Trade and other payables	1,630,809	1,630,809	1,483,775	1,483,775
Shareholders' loans	339,588	339,588	981,834	981,834
Loans payable	1,063,105	1,063,105	-	-
Provisions (short and long term)	11,563	11,563	47,543	47,543

Cash and derivative liabilities are stated at fair value (Level 1 measurement). The carrying value of trade and other receivables, trade and other payables, loans payable, secured note payable and provisions approximate their fair value due to the short-term maturity of these financial instruments (Level 3 measurement). Shareholders' loans are measured at the exchange amount.

14. Financial Instruments and Concentration of Risks (continued)

Capital Management
The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity and flexibility to funds its operations, growth and ongoing exploration and development commitments on its oil and gas interests. The Company is dependent on funding these activities through debt and equity financings and joint venture arrangements. Due to long lead cycles of the Company's exploration and development activities, the Company's capital requirements currently exceed its operational cash flow generated. As such the Company is dependent upon future financings in order to maintain its flexibility and liquidity and may from time to time be required to issue equity, issue debt, adjust capital spending or obtain additional farm-in arrangements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, availability of capital and the risk characteristics of any underlying assets in order to meet current and upcoming obligations.

The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management and favourable market conditions to sustain future development of the business. As at August 31, 2015 and August 31, 2014 and the Company considered its capital structure to comprise of shareholders equity and long-term debt.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's capital management plan during the period ended August 31, 2015. The Company is not subject to any externally imposed restrictions on its capital requirements.

The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management and favorable market conditions and opportunities to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

15. Income Taxes

The Company has unused capital losses in the amount of approximately $195,852 (2014: $195,852) which may be carried forward indefinitely to offset future capital gains, and unused non capital losses available to reduce income in future years expiring as follows:

2015	47,434
2026	55,415
2027	42,337
2028	49,166
2029	252,898
2030	275,165
2031	648,310
2032	780,686
2033	829,530
2034	659,384
2035	839,494
	$ 4,479,819

15. Income Taxes (continued)

A reconciliation between income taxes provided at actual rates and at the basic rate ranging from 26.50% to 34% (2014: 26.50%% to 34%) for federal and provincial taxes is as follows:

	2015	2014
Net Loss	$ 2,695,018	$ 6,115,585
Taxes at statutory rates	(714,180)	(1,620,630)
Non-taxable items and others	564,318	1,412,019
Change in unrecognized deferred tax asset	149,862	208,611
	$ -	$ -

The significant components of the Company's unrecognized deferred income tax asset are summarized as follows:

	2015	2014
Operating loss carry forwards	$ 1,187,152	$ 1,019,911
Share issue costs	3,748	19,112
Marketable securities	-	777
Capital losses carry forwards	28,070	28,070
Oil and gas interests	76,713	76,713
Cumulative eligible capital	-	1,237
Unrecognized deferred tax asset	$ 1,295,683	$ 1,145,821

16. Discontinued Operations and Dissolution of Subsidiary

a Discontinued Operations of Eagleford Energy, Zavala Inc.

In accordance with the terms of a Secured Note and General Security Agreement (the "Loan Agreements") the Company had granted and conveyed to Benchmark a first priority security interest in the Company and Zavala Inc.

At August 31, 2015, the Company was unable to pay the Note of $1,608,149 plus interest of $154,179, totaling $1,762,328 which constituted an event of default pursuant to the terms of the Loan Agreements. Benchmark having made demand for payment of all amounts owed to it under the Note gave notice to the Company that it intended to exercise its security on the Company's assets.

In an effort to avoid further costs the Company and Benchmark entered into a Settlement and Exercise of Security Agreement effective August 31, 2015 with the following terms:

(1) Effective August 31, 2015, the Company assigns and conveys to Benchmark all of its rights, title and interest in and to Zavala Inc., including but not limited to all of the issued and outstanding common shares of Zavala Inc.; and

(2) Issue 10,000,000 shares of common stock of the Company;

As a result the extinguishment of the Note, the Company's investment in Zavala Inc. has been deconsolidated from the Company's Consolidated Financial Statements as at the effective date (August 31, 2015) and presented as discontinued operations on the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flows.

16. Discontinued Operations and Dissolution of Subsidiary (continued)

The following table presents the consolidated statements of operations and comprehensive income (loss) of Zavala Inc. for the years set out:

	August 31, 2015	August 31, 2014	August 31, 2013
Expenses			
Accretion	$ 1,498	$ 913	$ -
General and administrative (recovery)	73,347	(305)	1,213
Bad debt expense	29,756	-	-
Impairment loss on marketable securities	167,815	-	-
Impairment loss on exploration and evaluation assets	4,490,045	-	-
Loss from discontinued operations	(4,762,461)	(608)	(1,213)
Foreign currency translation	(4,692)	3,800	892
Comprehensive income (loss) from discontinued operations	$ (4,767,153)	$ 3,192	$ (321)
Loss per share basic and diluted from discontinued operations	$ (0.172)	$ (0.000)	$ (0.000)

The following table presents the consolidated statements of cash flows of Zavala Inc. for the years set out:

	August 31, 2015	August 31, 2014	August 31, 2013
Cash provided by (used in)			
Operating activities			
Net loss from discontinued operations	$ (4,762,461)	$ (608)	$ (1,213)
Accretion	1,498	913	-
Impairment loss on marketable securities	167,815		
Impairment loss on exploration and evaluation assets	4,490,045	-	-
Net changes in non-cash working capital			
Accounts receivable	79,790	(80,448)	-
Accounts payable	(58,979)	64,169	1,266
Deferred revenue	(177,804)	177,804	
Cash provided by (used in) operating activities, discontinued operations	(260,096)	161,830	53
Investing activities			
Additions to exploration and evaluation assets	(109,874)	(113,578)	-
Cash used in investing activities, discontinued operations	(109,874)	(113,578)	
Financing activities			
Loans payable	279,053	-	-
Cash provided by financing activities, discontinued operations	279,053	-	-
Net cash provided by (used in) discontinued operations	$ (90,917)	$ 48,252	$ 53

The following table presents the effect of the de-consolidation of Zavala Inc., on the Consolidated Statement of Financial Position of the Company at August 31, 2015:

	August 31, 2015
Accounts receivable	$ 658
Restricted cash	33,058
Marketable securities	10,578
Exploration and evaluation assets	1,212,996
Provisions	(135,064)
Loan payable	(279,053)
Accounts payable	(6,456)
Net assets and liabilities of Zavala Inc.	$ 836,717

Upon disposition of Zavala Inc., the Company realized a foreign exchange translation gain of $615,881.

16. Discontinued Operations and Dissolution of Subsidiary (continued)

b Dissolution of Dyami Energy LLC

During the year ended August 31, 2013, the Company, Dyami Energy and OGR Energy Corporation, the Lessees, were litigating a dispute with the Lessors of the Matthew's property. During the last quarter of fiscal year August 2013, the Company and the Lessors agreed to resolve the litigation and continue with the development of the Matthew's property. In order to comply with certain State legal requirements, it was deemed necessary by the Lessors counsel to continue with the development through a newly executed lease document and the Company formed, Zavala Inc. a new wholly owned subsidiary to execute the new lease. The new lease was signed effective September 1, 2013 and the first of two payments of US$150,000 were paid to the Lessors upon signing the new lease as required initial pre-payment of anticipated production royalties along with a continuing development obligation under the lease to complete the previously drilled Matthews #1H horizontal well or drill a new well on the Matthews property no later than March 30, 2014. On September 1, 2013, the Matthews lease was renewed by the Company through Zavala Inc. and based on the concept of faithful representation under IAS 8, the carrying value of the Matthew's lease by Dyami Energy was considered to be the value for Zavala Inc. as this arrangement is simply a reorganization in substance.

Subsequent to September 1, 2013 and the continuing development of the Matthews lease, Dyami Energy continued its development efforts with the Murphy lease. A tentative joint venture agreement with Stratex was reached but did not materialize and efforts to develop the Murphy lease were not successful. The Company had solicited lenders and investors in an attempt to obtain debt/equity financings as a means to improve Dyami Energy's financial situation. Despite the Company's attempts, these efforts were unsuccessful and management determined that it could no longer fund the Murphy operations, hence the lease was considered impaired and an impairment loss was recorded by Dyami Energy during the third quarter. On March 6, 2014, the Company filed a Certificate of Termination of a Domestic Entity with the Secretary of State, Texas for its wholly-owned subsidiary Dyami Energy and effective April 3, 2014, Dyami Energy was dissolved. All prior obligations with respect to the Matthew's and Murphy leases on the books of Dyami Energy prior to its dissolution were recorded by the Company.

The Company's investment in Dyami Energy has been deconsolidated from the Company's Consolidated Financial Statements as at the effective date, and presented on the Consolidated Statements of Operations and Comprehensive Loss and the Consolidated Statements of Cash Flow as an impairment of the net assets and liabilities on dissolution of subsidiary.

The following table presents the effect of the dissolution of Dyami Energy on the consolidated financial statements of the Company at April 3, 2014:

		April 3, 2014
Exploration and evaluation assets – Murphy Lease	$	(1,675,749)
Provisions		58,589
Foreign currency translation reserve		301,884
Net assets and liabilities of Dyami Energy	$	(1,315,276)

17. Subsequent Events

On August 13, 2015, the Company filed a petition against Stratex in the District Court of Harris County, Texas seeking breach of the settlement agreement dated March 31, 2015, for monies owed under the settlement agreement and unpaid production revenue of approximately US$44,000 in the aggregate plus damages. On December 4, 2015, the Company obtained a judgment against Stratex in the amount of $62,069.

On September 25, 2015, 112,490 and 17,998 derivative warrants exercisable at US$5.00 and US$2.50, respectively expired and the fair value measured using the Black-Scholes option pricing model of $281,210 was recorded as an increase to contributed surplus.

17. Subsequent Events (continued)

On December 22, 2015, the Company issued 5,000,000 common shares in the capital of the Company at a price of $0.01 per share for gross proceeds of $50,000.

On December 22, 2015, the Company issued a total of 103,299,838 units at CDN $0.01 in the capital of the Company pursuant to the anti-dilution clause of the August 30, 2014 debt settlement agreements of $1,180,570. Each unit is comprised of one (1) common share and one half of one (1/2) common share purchase warrant. Each full warrant entitles the holder to purchase one (1) common share at an exercise price of CDN$0.10 until August 30, 2017. The fair value of the units $7,882,072 was allocated to common shares $4,542,981 and warrants $3,339,091 based on their relative fair values and $7,882,072 was recorded as a loss on settlement of debt.

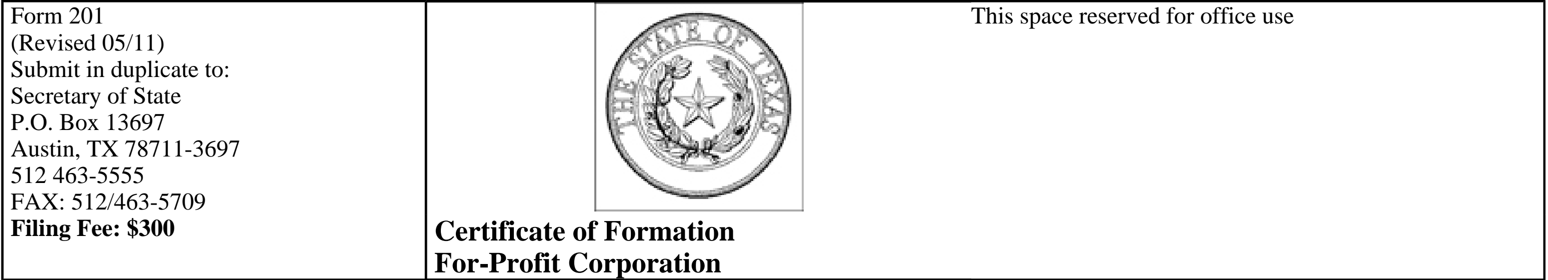
On December 22, 2015, the Company issued a total of 95,431,100 common shares in the capital of the Company at a price of US$0.01 per share upon the conversion of debt in the aggregate amount of $1,274,291 (US$954,311). The amount allocated to common shares based on fair value was $6,371,457 and $5,097,166 was recorded as a loss on settlement of debt.

INDEX TO EXHIBITS

Exhibit #	Description
1.1	Certificate of Incorporation of Bonanza Red Lake Explorations Inc. (presently known as Eagleford Energy Inc.) dated September 22, 1978 (1)
1.2	Articles of Amendment dated January 14, 1985 (1)
1.3	Articles of Amendment dated August 16, 2000 (1)
1.4	Bylaw No 1 of Bonanza Red Lake Explorations Inc. (presently known as Eagleford Energy Inc.) (1)
1.5	Special By-Law No 1 – Respecting the borrowing of money and the issue of securities of Bonanza Red Lake Explorations Inc. (presently known as Eagleford Energy Inc.) (1)
1.6	Articles of Amalgamation dated November 30, 2009 (3)
4.1	2000 Stock Option Plan (1)
4.2	Code of Business Conduct and Ethics (1)
4.3	Audit Committee Charter (1)
4.4	Petroleum and Natural Gas Committee Charter (1)
4.5	Compensation Committee Charter (1)
4.6	Purchase and Sale Agreement dated February 5, 2008 among Eugenic Corp., 1354166 Alberta Ltd., and the Vendors of 1354166 Alberta Ltd. (1)
4.7	Amended Audit Committee Charter (3)
4.8	Amended Stock Option Plan (4)
4.9	Asset Purchase Agreement between Eagleford Energy Inc., and Source Re-Work Program Inc., dated May 12, 2010 (6)
4.10	Addendum dated June 10, 2010 to the Asset Purchase Agreement between Eagleford Energy Inc. and Source Re-Work Program Inc., dated May 12, 2010 (6)
4.11	Addendum 2 dated June 30, 2010 to the Asset Purchase Agreement between Eagleford Energy Inc. and Source Re-Work Program Inc., dated May 12, 2010 (6)
4.12	Acquisition Agreement among Eagleford Energy Inc., Dyami Energy LLC and the Members of Dyami Energy LLC dated August 10, 2010 (5)
4.13	Financial Advisory Services Agreement between Eagleford Energy Inc. and GarWood Securities, LLC dated June 10, 2010 (6)
4.14	Amended Stock Option Plan, February 24, 2011 (7)
4.15	Amendment dated December 31, 2011 to Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (8)
4.16	Consent of Sproule Associates Limited dated February 16, 2012 (9)
4.17	Evaluation of P&NG Reserves of Eagleford Energy Inc., at August 31, 2011 (11)
4.18	Amended Stock Option Plan, February 24, 2012 (8)
4.19	By-Law No. 1, February 24, 2012 (8)
4.20	Articles of Amendment, effective March 16, 2012 (10)
4.21	2nd Amendment dated June 30, 2012 to Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (12)
4.22	Evaluation of P&NG Reserves of Eagleford Energy Inc., at August 31, 2012 (12)
4.23	Consent of Sproule Associates Limited dated (12)
4.24	Financial Advisory Agreement between Eagleford Energy Inc. and The PrinceRidge Group LLC dated June 1, 2012 (12)
4.25	Amendment dated April 13, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.26	Amendment No. 2 dated July 17, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.27	Amendment No. 3 dated August 14, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.28	Amendment No. 4 dated August 31, 2012 to Placement Agency Agreement dated March 12, 2012 between Eagleford Energy Inc. and Gottbetter Capital Markets, LLC (12)
4.29	3rd Amendment dated November 23, 2012 to Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (12)
4.30	4th Amendment dated March 1, 2013 to Secured Promissory Note between Eagleford Energy Inc. and Benchmark Enterprises LLC (13)
4.31	Eagleford Energy, Zavala Inc., Certificate of Incorporation dated August 29, 2013 (13)

4.32	Rule 14 Agreement among The Matthews Family Mineral Account, LP, Delta Star Holdings, LLC, Dyami Energy, LLC, Eagleford Energy Inc.,OGR Energy Corporation, OGR 2000 Ltd., and Texas Onshore Energy, Inc. (13)
4.33	Termination of Financial Advisory Agreement between Eagleford Energy Inc. and The PrinceRidge Group LLC dated September 5, 2013 (13)
4.34	Joint Development Agreement dated December 3, 2013 between Eagleford Energy Inc., Eagleford Energy, Zavala Inc., and Stratex Oil and Gas Holdings, Inc. (13)
4.35	Articles of Amendment, effective August 25, 2014 (14)
4.36	Amendment dated January 21, 2014 to the Joint Development Agreement between Eagleford Energy Inc., Eagleford Energy, Zavala Inc., and Stratex Oil and Gas Holdings, Inc.(15)
4.37	Joint Development Agreement dated April 11, 2014 by and among Quadrant Resources LLC Eagleford Energy, Zavala Inc., and Stratex Oil and Gas Holdings, Inc.(15)
4.38	Secured Convertible Promissory Note, General Security Agreement and Release dated August 31, 2014 between Eagleford Energy Inc. and Benchmark Enterprises LLC (15)
4.39	Articles of Incorporation of EEZ Operating Inc. effective May 12, 2015 (16)
4.40	Settlement Agreement effective as of March 31, 2015, by and between Stratex Oil & Gas Holdings, Inc., Quadrant Resources LLC, and Eagleford Energy Corp. (16)
4.41	Settlement and Exercise of Security Agreement effective August 31, 2015, between Eagleford Energy Corp. and Benchmark Enterprises LLC (16)
8.1	Subsidiaries of Eagleford Energy Corp. (16)
12.1/12.2	Section 302 Certification of Chief Executive and Financial Officer (16)
13.1/13.2	Section 906 Certification of Chief Executive and Financial Officer (16)

Reference #	Incorporated by Reference
(1)	Previously filed on April 29, 2009 by Registrant as part of Registration Statement on Form 20-F (SEC File No. 0-53646)
(2)	Previously Filed by Registrant as part of Amendment #2 to Registration Statement on Form 20F/A on July 14, 2009
(3)	Previously Filed by Registrant on Form 6 K on December 1, 2009
(4)	Previously filed by Registrant on Form 20F/A on March 12, 2010
(5)	Previously filed by Registrant on Form 6-K on September 16, 2010
(6)	Previously Filed by Registrant on Form 20F on February 11, 2011
(7)	Previously filed by Registrant on Form 6-K on January 27, 2011
(8)	Previously filed by Registrant on Form 6-K on February 1, 2012
(9)	Previously filed by Registrant on Form 20F on February 16, 2012
(10)	Previously filed by Registrant on Form 6-K on March 9, 2012
(11)	Previously filed by Registrant on Form 20F/A on April 26, 2012
(12)	Previously filed by Registrant on Form 20F on December 31, 2012
(13)	Previously filed by Registrant on Form 20F on December 24, 2013
(14)	Previously filed by Registrant on Form 6-K on August 20, 2014
(15)	Previously filed by Registrant on Form 20F on December 31, 2014
(16)	Filed as an Exhibit hereto



Form 201 (Revised 05/11) Submit in duplicate to: Secretary of State P.O. Box 13697 Austin, TX 78711-3697 512 463-5555 FAX: 512/463-5709 **Filing Fee: $300**	**Certificate of Formation** **For-Profit Corporation**	This space reserved for office use

Article 1 – Entity Name and Type

The filing entity being formed is a for-profit corporation. The name of the entity is:

EEZ Operating

The name must contain the word "corporation," "company," "incorporated," "limited" or an abbreviation of one of these terms.

Article 2 – Registered Agent and Registered Office

(See instructions. Select and complete either A or B and complete C.)

A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Austin	M		Davis
First Name	*M.I.*	*Last Name*	*Suffix*

C. The business address of the registered agent and the registered office address is:

804 Waterloo Lake Drive	Denision	TX	75020
Street Address	*City*	*State*	*Zip Code*

Article 3 – Directors

(A minimum of 1 director is required.)

The number of directors constituting the initial board of directors and the names and addresses of the person or persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualified are as follows:

Director 1			
James		Cassina	
First Name	*M.I.*	*Last Name*	*Suffix*
1 King Street West, Suite 1505	Toronto	ON	M5H 1A1
Street or Mailing Address	*City*	*State Zip Code*	*Country*

Director 2				
First Name	*M.I.*	*Last Name*		*Suffix*
Street or Mailing Address	*City*	*State*	*Zip Code*	*Country*

Director 3				
First Name	*M.I.*	*Last Name*		*Suffix*
Street or Mailing Address	*City*	*State*	*Zip Code*	*Country*

Article 4 – Authorized Shares

(Provide the number of shares in the space below, then select option A or option B, do not select both.)

The total number of shares the corporation is authorized to issue is:

50,000

A. The par value of each of the authorized shares is:

OR

☒ B. The shares shall have no par value.

If the shares are to be divided into classes, you must set forth the designation of each class, the number of shares of each class, the par value (or statement of no par value), and the preferences, limitations, and relative rights of each class in the space provided for supplemental information on this form.

Article 5 – Purpose

The purpose for which the corporation is formed is for the transaction of any and all lawful business for which a for-profit corporation may be organized under the Texas Business Organizations Code.

Supplemental Provisions/Information

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer:

Eagleford Energy Corp.
Name

1 King Street West, Suite 1505	Toronto	ON	M5H 1A1
Street or Mailing Address	*City*	*State*	*Zip Code*

Effectiveness of Filing (Select either A, B, or C.)

☒ A. This document becomes effective when the document is filed by the secretary of state.

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: ______________________________

C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: ____________________________

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: May 12, 2015

/s/ James Cassina
Signature of organizer

James Cassina, President Eagleford Energy Corp.
Printed or typed name of organizer

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Settlement Agreement") is made and entered into effective as of March 31, 2015, by and between STRATEX OIL & GAS HOLDINGS, INC., a Colorado corporation (“STTX”), QUADRANT RESOURCES LLC, a Florida limited liability company (“QUADRANT”), and EAGLEFORD ENERGY CORP., an Ontario, Canada corporation, and its wholly-owned subsidiary, EAGLEFORD ENERGY, ZAVALA INC., a Nevada corporation (collectively, “EEZ”). STTX, QUADRANT and EEZ may be collectively referred to as the "Parties," and individually as "the" or "a" "Party."

WHEREAS, STTX and EEZ entered into a Joint Development Agreement dated as of December 3, 2013, as amended January 24, 2014 (“EEZ-STTX JDA”), whereby STTX agreed to complete the hydraulic fracturing of the Matthews #1H well in Zavala County, Texas (“Matthews #1H Well”) to earn a 66.67% working interest in the Well before payout, reducing to a 50.00% working interest in the Well after payout, together with a 50% Working Interest in the remainder of the 2,629 acres of land covered by the Oil and Gas Lease dated September 1, 2013, by and between Matthews Family Mineral Account, L.P., and Delta Star Holdings, L.L.C., as Lessor, and Eagleford Energy Zavala Inc., as Lessee (“Matthews Lease”). Each of the Parties has previously received and is familiar with the EEZ-STTX JDA and the Matthews Lease, both of which are incorporated herein by this reference.

WHEREAS, STTX timely completed the hydraulic fracturing of the Matthews # 1H Well and earned the interests to be assigned by EEZ under the EEZ-STTX JDA.

WHEREAS, QUADRANT, EEZ and STTX subsequently entered into a Joint Development Agreement (“JDA”), together with a Joint Operating Agreement (“JOA”), each dated as of April 11, 2014, providing for the maintenance and further development of the Matthews Lease. Each of the Parties has previously received and is familiar with the JDA and the JOA, both of which are incorporated herein by this reference.

WHEREAS, a dispute arose among and between the Parties regarding the amounts required to be paid by each of the Parties under the JDA and JOA. STTX filed a lawsuit to collect certain amounts alleged to be payable under the JDA and JOA, and EEZ filed its counter claim in the 293rd District Court of Zavala County, Texas, styled *Stratex Oil & Gas Holdings, Inc. v. Eagleford Energy Zavala, Inc.,* Case No. 14-09-132090-ZCV (the "Litigation").

WHEREAS, without admitting liability and in an effort to avoid additional litigation expense, the Parties desire to enter into this Settlement Agreement as a full and complete settlement of the Litigation and all issues and claims that have arisen or that may arise under the terms and obligations of the JDA, the JOA and any and all other agreements or relationships among and between the Parties of whatsoever kind or nature.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Cash Payment. At the Closing, STTX shall pay to EEZ, or its direction, the sum of Twenty-Five Thousand US Dollars (US $25,000).

2. Issuance of Common Stock. At the Closing, STTX shall issue to EEZ (specifically in the name of Eagleford Energy Corp.) One Million Three Hundred Thirty-Three Thousand Three Hundred Thirty- Three (1,333,333) shares of its common stock (“Shares”) pursuant to the following conditions and representations by EEZ:

(a) EEZ represents that the representations in this Paragraph 2 concerning the issuance of the Shares are complete and accurate to the best of EEZ's knowledge, and that STTX may rely upon them. EEZ will notify STTX immediately if any material change occurs adversely affecting any of these representations before the transfer of the Shares.

(b) The Shares will not be sold by EEZ without registration under applicable securities acts or a proper exemption from such registration.

(c) The Shares are being issued for settlement purposes for the benefit of EEZ own account and not on behalf of any other person or with a view to, or for resale in connection with, any distribution thereof within the meaning of the Securities Act of 1933. EEZ is aware that there are substantial restrictions on the transferability of the Shares.

(d) EEZ has relied solely upon its own independent investigations, and fully understands that there are no guarantees, assurances or promises made by STTX in connection with the issuance of the Shares and that the particular tax consequences arising from issuance of the Shares will depend upon the individual circumstances of EEZ. EEZ further understands that no opinion is being given by STTX as to any securities or tax matters involving this transfer.

(e) EEZ also understands and agrees that the certificates evidencing the Shares will bear legends in substantially the following form:

“The securities represented by this Certificate have not been registered under the Securities Act of 1933 (the “Act”) and are “restricted securities” as that term is defined in Rule 144 under the Act. The securities may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Issuer.”

(f) EEZ acknowledges that the Shares will be issued pursuant to exemptions from registration under the Securities Act of 1933, and state securities laws based, in part, on these warranties and representatives, which are the very essence at this Paragraph 2, and constitute a material part of the bargained-for consideration without which this Settlement Agreement would not have been executed.

(g) By reason of EEZ's and EEZ’s officers and directors, business or financial experience, or the business or financial experience of professional advisors who are unaffiliated with and who are not compensated by STTX or any affiliate or selling agent of STTX, directly or indirectly, EEZ has the capacity to protect its own interest in connection with this transaction or has a pre-existing personal or business relationship with STTX or one or more of its officers, directors or controlling persons consisting of personal or business contacts of a nature and duration such as would enable a reasonably prudent purchaser to be aware of the character, business acumen and general business and financial circumstances of such person with whom such relationship exists.

(h) This Agreement when fully executed and delivered by STTX will constitute a valid and legally binding obligation of EEZ, enforceable in accordance with its terms. EEZ, if it is a partnership, joint venture, corporation, trust or other entity, was not formed or organized for the specific purpose of acquiring the Shares. The issuance of the Shares by STTX to EEZ is a permissible investment in accordance with EEZ's Articles of Incorporation, bylaws, partnership agreement, declaration of trust or other similar charter document, and has been duly approved by all requisite action by the entity's owners, directors, officers or other authorized managers. The person signing this document and all documents necessary to consummate the issuance of the Shares has all requisite authority to sign such documents on behalf of EEZ.

(i) The Shares were not offered to EEZ by way of general solicitation or general advertising and at no time was EEZ presented with or solicited by means of any leaflet, public promotional meeting, circular, newspaper or magazine article, radio or television advertisement.

3. Assignment of Leases to EEZ and QUADRANT. At the Closing, STTX will assign all of its right, title and interest in, to and under the Matthews Lease, JDA and JOA, without express or implied warranty of title, to or at the direction of EEZ and Quadrant effective as of January 31, 2015. Stratex will also return all logs, reports, files, etc., relating to the Matthews Lease and any and all petro-physical information previously provided by EEZ to Stratex and all other reports obtained by Stratex since entering into the ("EEZ-STTX JDA"). The EEZ-STTX JDA terminates at closing.

4. Representations by STTX. STTX represents and warrants to EEZ and QUADRANT that as of the date hereof and at Closing:

a. STTX is a duly formed and validly existing corporation, with full corporate power and authority to conduct business as presently conducted.

b. STTX has full power and authority to enter into and perform its obligations under this Settlement Agreement. The execution, delivery, and performance by STTX of this Settlement Agreement, and the consummation by STTX of the transactions contemplated by the Parties under this Settlement Agreement, have been duly authorized by all necessary corporate action and no other corporate proceeding on the part of STTX is necessary to authorize this Agreement. This Agreement has been and, at Closing will have been, duly executed and delivered by STTX.

c. This Agreement constitutes the legal, valid and binding obligation of STTX, enforceable in accordance with its terms, except as limited by bankruptcy or other laws generally applicable to creditors' rights.

d. STTX is not a shell company as defined in Rule 144(i) under the General Rules and Regulations under the Securities Act of 1933, as amended.

e. STTX common stock is currently quoted and traded on the OTCQB tier of OTC Markets.

f. In connection with sales of the Shares being issued to EEZ pursuant to Section 2 hereof or legend removal from the certificates for such Shares, in reliance on Rule 144, STTX shall advise its transfer agent to accept Rule 144 opinions from EEZ's counsel and shall otherwise cooperate with EEZ and its counsel to insure prompt administration of all related Rule 144 requests by EEZ.

g. To the best of STTX's knowledge, no environmental incidents occurred during any operations conducted on the Matthews Lease directly by Stratex (and not as Operator acting on behalf and at the direction of Quadrant) which must be reported to any regulatory or governmental body having jurisdiction over the surface and subsurface of the lands covered by the Matthews Lease.

h. STTX has provided notice to the Mortgagee that it is releasing and assigning all of its rights, titles and interests in, to and under the Matthews Lease pursuant to the exception to the requirement for obtaining Mortgagee's consent provided in Article

4.1 of that certain Deed of Trust, Security Agreement, Financing Statement and Assignment of Production dated effective February 11, 2014, as amended effective June 6, 2014, covering the Matthews Lease.

5. Representations by EEZ. *EEZ* hereby represents to STTX and QUADRANT that: a. EEZ is a duly formed and validly existing corporation, with full corporate power and authority to conduct business as presently conducted.

b. EEZ has full power and authority to enter into and perform its obligations under this Settlement Agreement. The execution, delivery, and performance by EEZ of this Settlement Agreement, and the consummation by EEZ of the transactions contemplated by the Parties under this Settlement Agreement, have been duly authorized by all necessary corporate action and no other corporate proceeding on the part of EEZ is necessary to authorize this Agreement. This Agreement has been and, at Closing will have been, duly executed and delivered by EEZ.

c. This Agreement constitutes the legal, valid and binding obligation of EEZ, enforceable in accordance with its terms, except as limited by bankruptcy or other laws generally applicable to creditors' rights.

6. Representations by QUADRANT. *QUADRANT* hereby represents to STTX and EEZ that:

a. Quadrant is a duly formed and validly existing limited liability company, with full company power and authority to conduct business as presently conducted.

b. Quadrant has full power and authority to enter into and perform its obligations under this Settlement Agreement. The execution, delivery, and performance by Quadrant of this Settlement Agreement, and the consummation by Quadrant of the transactions contemplated by the Parties under this Settlement Agreement, have been duly authorized by all necessary company action and no other company proceeding on the part of Quadrant is necessary to authorize this Agreement. This Agreement has been and, at Closing will have been, duly executed and delivered by Quadrant.

c. This Agreement constitutes the legal, valid and binding obligation of Quadrant, enforceable in accordance with its terms, except as limited by bankruptcy or other laws generally applicable to creditors' rights.

7. Resignation of Operator; Final JIB. At the Closing,

a. STTX shall resign as operator under the Matthews Lease, JDA and JOA and vote for QUADRANT, or its designee, as the operator under the Matthews Lease, JDA and JOA from and after the Closing. STTX shall provide to EEZ and Quadrant a final joint interest billing as of February 28, 2015 ("Final JIB"), and shall remit their respective net shares of all proceeds from production obtained on or before February 28, 2015.

b. QUADRANT shall assume all liability, to the extent not already assumed under the JDA and the JOA, for all costs and expenses of any and all vendors who have performed work on the Matthews Lease from and after the effective date of the JDA ("Vendor Costs"). QUADRANT shall indemnify, defend and hold STTX harmless from and against any and all Claims of whatsoever kind or nature by vendors for work performed under the terms of the JDA and JOA.

c. Promptly after receipt of evidence reasonably satisfactory to STTX that all Vendor Costs have been fully paid or satisfied by Quadrant, STTX shall promptly release to Quadrant the full remaining amount of its $50,000 deposit provided under Article 3.6(c) of the JDA, in the amount shown on the Final JIB.

8. Stipulation and Order of Dismissal. At the Closing, the Parties shall stipulate to an Order of Dismissal of the Litigation, with prejudice, including all claims and counterclaims. The funds previously paid by EEZ to STTX under protest shall be released to and vest in STTX and the protest shall be vacated.

9. Mutual Release of Claims. Upon execution of this Settlement Agreement by all Parties, the Parties hereby remise, release, acquit, satisfy, and forever discharge each other, including each of their past and present parents, subsidiaries, affiliates or predecessor entities, and any and all of its and/or their respective past and present officers, directors, agents, attorneys, accountants, insurers, servants, employees, shareholders, members, and partners, and their personal representatives, all of the foregoing of and from any and all, and all manner of, claims, actions, causes of action, suits, debts, sums of money, accounts, reckonings, contracts, controversies, agreements, promises, damages, and demands whatsoever, in law or in equity, which each Party had or now has, or which any successor or assign of any Party hereafter can, shall or may have, against any of the Parties for, upon, or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this Settlement Agreement, whether known or unknown, direct or indirect, vested or contingent. This Settlement Agreement does not include or release any claims or disputes brought against Alan Gaines, individually in the matter pending in the ONTARIO SUPERIOR COURT OF JUSTICE, Case No. CV-14-514935, an action entitled *EAGLEFORD ENERGY CORP. and EAGLEFORD ENERGY, ZAVALA INC. v. ALAN GAINES* ("Gaines Litigation"). Claims in the Gaines Litigation are being addressed in a separate instrument and are not intended to be released or otherwise dealt with in this Settlement Agreement. Without limiting the generality of the foregoing, this Release includes the release of any and all claims, rights, and causes of action, of any kind or type whatsoever, which were or could have been raised or asserted by the Parties against the other Parties in connection with the Litigation, the JDA and the JOA (collectively, "Claims"). Notwithstanding the foregoing, the Parties expressly exclude from the effect of this Release and do not release each other Parties from the terms and conditions of this Settlement Agreement.

10. Time of the Essence. Time is of the essence of each and every term, condition, and particular of this Settlement Agreement.

11. Closing. Subject to and upon the terms, conditions, reservations, and exceptions contained in this Settlement Agreement, the closing of the transactions contemplated by the Parties under this Settlement Agreement (the "Closing") shall be held within three (3) business days after this Agreement is signed by all Parties. The Closing shall be conducted via transmittal of scanned copies of the executed documents, followed by transmittal of the original, executed versions for delivery the following day.

12. Cooperation. The Parties agree to cooperate in preparing such documents and taking such actions as may be necessary to implement this Settlement Agreement or to carry out its terms. In particular, promptly following execution of this Settlement Agreement and Closing, STTX will request the Mortgagee to release the Matthews Lease and the covered lands from the lien of its Trust Deed recorded in Zavala County, Texas, and will cooperate with Quadrant as the successor operator to obtain and place this release of record.

13. Confidentiality. The Parties shall keep the terms of this Settlement Agreement confidential to the fullest extent permitted by law, except as provided for herein. This confidentiality provision shall not apply to any information: (i) which is or rightfully becomes available to the general public; (ii) which is rightfully disclosed on a confidential basis to the Parties' attorneys, accountants, auditors, or regulators or other persons or entities subject to this confidentiality agreement; or (iii) which must be disclosed to comply with applicable law, including the Rules and Regulations of the United States Securities and Exchange Commission and/or the Ontario Securities Commission.

14. No Admission of Liability. No Party to this Settlement Agreement admits any liability or wrongdoing to any other Party hereto with respect to any Claims. Moreover, each Party to this Agreement specifically asserts that it is not responsible or liable to any other Party, but has agreed to this settlement solely for the purpose of resolving their mutual disputes.

15. Enforcement. If it is necessary for any Party to bring any action to enforce this Settlement Agreement, and if such Party shall be successful in such action, the Party enforcing this Agreement shall be entitled to recover its reasonable attorney's fees and costs incurred in such action.

16. Binding Effect. This Settlement Agreement and the terms, covenants, conditions, provisions, obligations, rights and benefits hereof shall be binding upon and shall inure to the benefit of the undersigned Parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.

17. Interpretation and Controlling Law. This Settlement Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Texas, without regard to any of its laws relating to conflicts or choice of law. The Parties hereby acknowledge that they and their respective counsel have each contributed to the preparation of this Settlement Agreement. Accordingly, no provision of this Settlement Agreement shall be construed against any Party because that Party, or its counsel, drafted the provision.

18. Entire Agreement. This Settlement Agreement sets forth the entire agreement and understanding of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements, if any, written or oral. There is no written or oral understanding directly or indirectly connected with this Settlement Agreement that is not incorporated herein. Again, the Gaines Litigation is excluded from and not encompassed in this Settlement Agreement. This Agreement cannot be amended or altered except by a subsequent written document executed by all the Parties.

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19. Severability. If any term, part, or provision of this Settlement Agreement is held by a Court of final and competent jurisdiction to be invalid, illegal or in conflict with any law, the validity of the remaining portions or provisions shall not be affected, and the rights, obligations and covenants of the undersigned Parties shall be construed and enforced as if this Settlement Agreement did not contain the particular term, condition, part or provision ruled to be unlawful.

20. Authority and Covenant. Each Party hereto warrants to each other Party that such Party has full power and authority to execute and deliver this Settlement Agreement. Further, each person executing this Settlement Agreement on behalf of any Party hereto warrants that he or she has full power and authority to execute and deliver this Settlement Agreement. Each Party represents and warrants that such Party has not assigned, transferred or pledged all or any portion of any claim released by the terms of this Settlement Agreement.

21. Fees and Costs. The Parties hereto shall bear all of their own respective costs, expenses, and attorney's fees incurred with respect to the Litigation and all matters related to or settled under this Settlement Agreement.

22. Counterparts. This Settlement Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. This Settlement Agreement may be executed by facsimile or scanned email signatures, which shall be deemed to have the force and effect of an original signature.

23. Captions. The captions contained in the various sections of the Settlement Agreement are for convenience of reference only and do not in any way limit, expand or modify the terms and provisions of this Settlement Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have set their hands by their duly authorized officers effective as of the date set forth above.

EAGLEFORD ENERGY CORP, and
EAGLEFORD ENERGY, ZAVALA INC.

By: /s/ James Cassina,
President

STRATEX OIL & GAS HOLDINGS, INC.

By: /s/ Michael A. Cedarstrom,
Executive Vice President
And General Counsel

QUADRANT RESOURCES LLC

By: Alan Goddard,
Authorized Signatory

SETTLEMENT AND EXERCISE OF SECURITY AGREEMENT

THIS SETTLEMENT AND EXERCISE OF SECURITY AGREEMENT ("SES Agreement") is made and entered into effective as of August 31, 2015, by and between BENCHMARK ENTERPRISES INC., a Nevis corporation ("Benchmark" or "Lender"), EAGLEFORD ENERGY CORP., ("Eagleford Energy" or "Borrower") an Ontario, Canada corporation, and its wholly-owned subsidiary, EAGLEFORD ENERGY, ZAVALA INC., a Nevada corporation ("EEZ"). BENCHMARK, EAGLEFORD ENERGY and EEZ may be collectively referred to as the "Parties," and individually as "the" or "a" "Party."

WHEREAS on August 31, 2010, Eagleford Energy Corp., (formerly known as Eagleford Energy Inc.), an Ontario corporation, the "**Borrower**") issued a 6% secured promissory note (the "**Original Note**") due December 31, 2011 (the "**Original Maturity Date**") in the principal amount of nine hundred and sixty thousand United States dollars (US$960,000.00) to Benchmark Enterprises LLC, a Nevis limited liability company (the "**Lender**");

AND WHEREAS the Original Note was subsequently extended and amended various times through to August 31, 2014.

AND WHEREAS in consideration of the Borrower's agreement not to immediately demand repayment of the Loan as of August 31, 2014 , the Lender and the Borrower agreed that (a) the Original Note shall be cancelled; (b) a new **Secured Loan Promissory Note** be given to further evidence the debt owed by the Borrower to the Lender; and (c) that the Lender grant, and cause its wholly-owned subsidiary, Eagleford Energy, Zavala Inc. to grant all of their present and future personal and real property as security for the repayment of the Loan;

AND WHEREAS on August 31, 2014, the Borrower issued to the Lender a Secured Loan Promissory Note for the sum of One Million, Two Hundred and Sixteen Thousand One Hundred Seventy Five Dollars and Thirty-Five Cents (US$1,216,175.35), in lawful money of the United States of America due and payable on August 31, 2015 (the "**Note**") to further evidence the debt owed by the Borrower to the Lender; and that the obligations of the Borrower to the Lender under the Note be secured by a general security agreement given by the Borrower and its wholly owned subsidiary Eagleford Energy, Zavala Inc. to the Lender, dated as of August 31, 2014 (the "Eagleford Security Agreement"). In addition to the rights and remedies given it by this Note and the Eagleford Security Agreement, the Lender shall have all those rights and remedies allowed by applicable laws. The rights and remedies of the Lender are cumulative and recourse to one or more right or remedy shall not constitute a waiver of the others. The Borrower shall be liable for all commercially reasonable costs, expenses and attorneys' fees incurred by the Lender in connection with the collection of the indebtedness evidenced by the Note.

AND WHEREAS on August 31, 2015 the Note was due and payable and the Borrower was indebted to the Lender in the aggregate amount of US$1,216,175.35 plus US$121,618 in interest, totalling US$1,337,793.35 pursuant to the terms of the Note;

AND WHEREAS on August 31, 2015 the Borrower was unable to pay the Lender which according to the terms of the Note constitutes an Event of Default by the Borrower to the Lender in the aggregate amount of US$1,337,793.35.

AND WHEREAS the Lender in making demand for payment of all amounts owed to it under the Note and other related documents has given notice to exercise its security over the Collateral.

AND WHEREAS in an effort to avoid expenses and significant legal costs, the Parties desire to enter into this SES Agreement as a full and complete settlement of all money owed by Borrower to Lender and all issues and claims that have arisen or that may arise under the terms and obligations of the Note and any and all other agreements or relationships among and between the Parties of whatsoever kind or nature.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

3. Effective August 31, 2015, the Borrower assigns and conveys to Lender all of its rights, title and interest in and to EEZ including but not limited to all of the issued and outstanding shares of EEZ;

4. Issuance of 10.0 million shares of common stock of the Borrower at a deemed value of Cdn$100,000;

5. All proceeds, if any, derived from the sale by the Borrower of 1,333,333 shares of common stock of Stratex Oil & Gas, Holdings Inc. ("Stratex") such shares received from Stratex with respect to the overpayment of royalties on the Matthews Lease by EEZ;

6. Assignment to the Lender of all shareholder loans from the Borrower to EEZ effective August 31, 2015; and

7. US$24,587.73 of the proceeds, if any, from the ongoing litigation between Stratex and the Borrower and EEZ related to unpaid production revenues by Stratex (CAUSE NO. 2015-47310).

2. Issuance of Common Stock. At the Closing, Borrower shall issue to Lender Ten Million (10,000,000) shares of its common stock ("Shares") pursuant to the following conditions and representations by Lender:

(a) Benchmark represents that the representations in this Paragraph 2 concerning the issuance of the Shares are complete and accurate to the best of Benchmark's knowledge, and that Eagleford Energy may rely upon them. Benchmark will notify Eagleford Energy immediately if any material change occurs adversely affecting any of these representations before the transfer of the Shares.

(b) The Shares are being issued for settlement purposes for the benefit of Benchmark own account and not on behalf of any other person or with a view to, or for resale in connection with, any distribution thereof within the meaning of the Securities Act of 1933. Benchmark is aware that there are substantial restrictions on the transferability of the Shares.

(c) Benchmark has relied solely upon its own independent investigations, and fully understands that there are no guarantees, assurances or promises made by Eagleford Energy in connection with the issuance of the Shares and that the particular tax consequences arising from issuance of the Shares will depend upon the individual circumstances of Benchmark. Benchmark further understands that no opinion is being given by Benchmark as to any securities or tax matters involving this transfer.

(d) Benchmark also understands and agrees that the certificates evidencing the Shares will bear legends in substantially the following form:

“The securities represented by this Certificate have not been registered under the Securities Act of 1933 (the “Act”) and are “restricted securities” as that term is defined in Rule 144 under the Act. The securities may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Issuer.”

"Unless permitted under Securities Legislation, the Holder of this Security must not Trade the Security in Canada before ___________, 2016"

(e) Benchmark acknowledges that the Shares will be issued pursuant to exemptions from registration under the Securities Act of 1933, and state securities laws based, in part, on these warranties and representatives, which are the very essence at this Paragraph 2, and constitute a material part of the bargained-for consideration without which this SES Agreement would not have been executed.

(f) By reason of Benchmark's and Benchmark’s officers and directors, business or financial experience, or the business or financial experience of professional advisors who are unaffiliated with and who are not compensated by Eagleford Energy or any affiliate or selling agent of Eagleford Energy, directly or indirectly, Benchmark has the capacity to protect its own interest in connection with this transaction or has a pre-existing personal or business relationship with Eagleford Energy or one or more of its officers, directors or controlling persons consisting of personal or business contacts of a nature and duration such as would enable a reasonably prudent purchaser to be aware of the character, business acumen and general business and financial circumstances of such person with whom such relationship exists.

(g) This SES Agreement when fully executed and delivered by Eagleford Energy will constitute a valid and legally binding obligation of Benchmark, enforceable in accordance with its terms.

3. ***Representations by Eagleford Energy***. Eagleford Energy represents and warrants to Benchmark that as of the date hereof and at Closing:

a. Eagleford Energy is a duly formed and validly existing corporation, with full corporate power and authority to conduct business as presently conducted.

b. Eagleford Energy has full power and authority to enter into and perform its obligations under this SES Agreement. The execution, delivery, and performance by Eagleford Energy of this SES Agreement, and the consummation by Eagleford Energy of the transactions contemplated by the Parties under this SES Agreement, have been duly authorized by all necessary corporate action and no other corporate proceeding on the part of Eagleford Energy is necessary to authorize this Agreement. This Agreement has been and, at Closing will have been, duly executed and delivered by Eagleford Energy.

c. This Agreement constitutes the legal, valid and binding obligation of Eagleford Energy, enforceable in accordance with its terms, except as limited by bankruptcy or other laws generally applicable to creditors' rights.

d. Eagleford Energy is not, nor ever has been, a shell company as defined in Rule 144(i) under the General Rules and Regulations under the Securities Act of 1933, as amended.

e. Eagleford Energy common stock is currently quoted and traded on the OTCQB tier of OTC Markets.

f. In connection with sales of the Shares being issued to Benchmark pursuant to Section 2 hereof or legend removal from the certificates for such Shares, in reliance on Rule 144, Eagleford Energy shall advise its transfer agent to accept Rule 144 opinions from Eagleford Energy's counsel or otherwise provide such opinion for a reasonable fee and shall otherwise cooperate with Benchmark and its counsel to insure prompt administration of all related Rule 144 requests by Benchmark.

4. Representations by Benchmark. Benchmark hereby represents to Eagleford Energy that:

a. Benchmark is a duly formed and validly existing corporation, with full corporate power and authority to conduct business as presently conducted.

b. Benchmark has full power and authority to enter into and perform its obligations under this SES Agreement. The execution, delivery, and performance by Benchmark of this SES Agreement, and the consummation by Benchmark of the transactions contemplated by the Parties under this SES Agreement, have been duly authorized by all necessary corporate action and no other corporate proceeding on the part of Benchmark is necessary to authorize this SES Agreement. This SES Agreement has been and, at Closing will have been, duly executed and delivered by Benchmark.

c. This SES Agreement constitutes the legal, valid and binding obligation of Benchmark, enforceable in accordance with its terms, except as limited by bankruptcy or other laws generally applicable to creditors' rights.

5. ***Mutual Release of Claims.*** Upon execution of this SES Agreement by all Parties, the Parties hereby remise, release, acquit, satisfy, and forever discharge each other, including each of their past and present parents, subsidiaries, affiliates or predecessor entities, and any and all of its and/or their respective past and present officers, directors, agents, attorneys, accountants, insurers, servants, employees, shareholders, members, and partners, and their personal representatives, all of the foregoing of and from any and all, and all manner of, claims, actions, causes of action, suits, debts, sums of money, accounts, reckonings, contracts, controversies, agreements, promises, damages, and demands whatsoever, in law or in equity, which each Party had or now has, or which any successor or assign of any Party hereafter can, shall or may have, against any of the Parties for, upon, or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this SES Agreement, whether known or unknown, direct or indirect, vested or contingent. Without limiting the generality of the foregoing, this Release includes the release of any and all claims, rights, and causes of action, of any kind or type whatsoever, which were or could have been raised or asserted by the Parties against the other Parties in connection with the Secured Loan Promissory Note and related documents (collectively, "Claims"). Notwithstanding the foregoing, the Parties expressly exclude from the effect of this Release and do not release each other Parties from the terms and conditions of this SES Agreement.

6. Time of the Essence. Time is of the essence of each and every term, condition, and particular of this SES Agreement.

7. ***Cooperation.*** The Parties agree to cooperate in preparing such documents and taking such actions as may be necessary to implement this SES Agreement or to carry out its terms. It is further agreed that:

a) Borrower will among other things provide Lender with a full financial statement of EEZ and EEZ Operating Inc. and tax returns up to their respective fiscal year ending 2015,
b) The 1,333,333 shares of common stock of Stratex Oil & Gas, Holdings Inc. ("Stratex") received from Stratex and issued in the name of the Borrower will be held in trust by Borrower for the benefit of EEZ until such time as the shares are either sold at which time all net proceeds will be paid to EEZ, or the restrictive legend is removed and the shares are registered in the name of Lender
c) Borrower will continue to provide Officers and Directors of EEZ and EEZ Operating Inc. and operate such in the normal course of business until a) above is provided.

8. ***Confidentiality.*** The Parties shall keep the terms of this SES Agreement confidential to the fullest extent permitted by law, except as provided for herein. This confidentiality provision shall not apply to any information: (i) which is or rightfully becomes available to the general public; (ii) which is rightfully disclosed on a confidential basis to the Parties' attorneys, accountants, auditors, or regulators or other persons or entities subject to this confidentiality agreement; or (iii) which must be disclosed to comply with applicable law, including the Rules and Regulations of the United States Securities and Exchange Commission and/or the Ontario Securities Commission.

9. ***No Admission of Liability.*** No Party to this SES Agreement admits any liability or wrongdoing to any other Party hereto with respect to any Claims. Moreover, each Party to this SES Agreement specifically asserts that it is not responsible or liable to any other Party, but has agreed to this settlement solely for the purpose of resolving their mutual disputes.

10. ***Enforcement.*** If it is necessary for any Party to bring any action to enforce this SES Agreement, and if such Party shall be successful in such action, the Party enforcing this Agreement shall be entitled to recover its reasonable attorney's fees and costs incurred in such action.

11. ***Binding Effect.*** This SES Agreement and the terms, covenants, conditions, provisions, obligations, rights and benefits hereof shall be binding upon and shall inure to the benefit of the undersigned Parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.

12. ***Interpretation and Controlling Law.*** This SES Agreement shall be construed, interpreted and enforced in accordance with the laws of the Province of Ontario, without regard to any of its laws relating to conflicts or choice of law. The Parties hereby acknowledge that they and their respective counsel have each contributed to the preparation of this SES Agreement. Accordingly, no provision of this SES Agreement shall be construed against any Party because that Party, or its counsel, drafted the provision.

13. ***Entire Agreement.*** This SES Agreement sets forth the entire agreement and understanding of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements, if any, written or oral. There is no written or oral understanding directly or indirectly connected with this SES Agreement that is not incorporated herein. This Agreement cannot be amended or altered except by a subsequent written document executed by all the Parties.

14. ***Severability.*** If any term, part, or provision of this SES Agreement is held by a Court of final and competent jurisdiction to be invalid, illegal or in conflict with any law, the validity of the remaining portions or provisions shall not be affected, and the rights, obligations and covenants of the undersigned Parties shall be construed and enforced as if this SES Agreement did not contain the particular term, condition, part or provision ruled to be unlawful.

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15. Authority and Covenant. Each Party hereto warrants to each other Party that such Party has full power and authority to execute and deliver this SES Agreement. Further, each person executing this SES Agreement on behalf of any Party hereto warrants that he or she has full power and authority to execute and deliver this SES Agreement. Each Party represents and warrants that such Party has not assigned, transferred or pledged all or any portion of any claim released by the terms of this SES Agreement.

16. Fees and Costs. The Parties hereto shall bear all of their own respective costs, expenses, and attorney's fees incurred with respect to the Litigation and all matters related to or settled under this SES Agreement.

17. Counterparts. This SES Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. This SES Agreement may be executed by facsimile or scanned email signatures, which shall be deemed to have the force and effect of an original signature.

18. Captions. The captions contained in the various sections of the SES Agreement are for convenience of reference only and do not in any way limit, expand or modify the terms and provisions of this SES Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have set their hands by their duly authorized officers effective as of the date set forth above.

EAGLEFORD ENERGY CORP, and EAGLEFORD ENERGY, ZAVALA INC.	BENCHMARK ENTERPRISES, INC.
By: /s/ James Cassina President	By: /s/ Erwin Sui Canadian Power of Attorney (I have the authority to bind the Corporation)

EXHIBIT 8.1

SUBSIDIARIES OF EAGLEFORD ENERGY CORP.

1354166 Alberta Ltd., an Alberta corporation

EXHIBIT 12.1 / 12.2

CERTIFICATIONS

I, James Cassina, certify that:

1. I have reviewed this annual report on Form 20-F of Eagleford Energy Corp.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: December 30, 2015

By: /s/ James Cassina

James Cassina
President, Chief Executive Office and Chief Financial Officer

EXHIBIT 13.1 / 13.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Eagleford Energy Corp. (the “Company”) on Form 20-F for the year ended August 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James Cassina, Chief Executive and Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ James Cassina
Name: James Cassina
Title: President, Chief Executive Office and Chief Financial Officer

Date: December 30, 2015