Interim Condensed Consolidated Financial Statements
For the Three Months Ended November 30, 2015
(Unaudited)
(Expressed in Canadian Dollars)

Notice of No Auditor Review of
Interim Condensed Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor. The accompanying unaudited interim consolidated financial statements of Eagleford Energy Corp. (the “Company”) have been prepared by and are the responsibility of the management of the Company. The Company's independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

Unaudited		**November 30, 2015**		August 31, 2015
Assets				
Current assets				
Cash	$	13,583	$	32,192
Trade and other receivables		38,150		51,323
Marketable securities (Note 6)		1		9,600
Total current assets		51,734		93,115
Total Assets	**$**	**51,734**	$	93,115
Liabilities and Shareholders' Equity (Deficiency)				
Current liabilities				
Trade and other payables	$	675,345	$	1,630,809
Shareholders' loans (Note 8 and 9)		10,000		339,588
Loans payable (Note 9)		198,329		1,063,105
Provisions (Note 11)		11,563		11,563
Derivative liabilities (Note 10)		-		281,210
Total current liabilities		895,237		3,326,275
Shareholders' equity (deficiency)				
Share capital (Note 12 a)		20,962,230		9,997,792
Share purchase warrants (Note 12 b)		4,140,170		801,079
Share purchase options (Note 12 d)		272,553		272,553
Contributed surplus (Note 12 e)		4,110,315		3,829,105
Available-for-sale reserve		-		(110,525)
Accumulated deficit		(30,328,771)		(18,023,164)
Total shareholders' equity (deficiency)		(843,503)		(3,233,160)
Total Liabilities and Shareholders' Equity (Deficiency)	**$**	**51,734**	$	93,115

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

EAGLEFORD ENERGY CORP

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
For the Three Months Ended November 30,
(Expressed in Canadian Dollars)
Unaudited

	2015	2014
Revenue		
Natural gas sales, net of royalties	$ 8,963	$ 13,565
Expenses		
Operating costs	3,527	3,680
General and administrative	63,575	88,549
Interest	7,618	96,022
Loss on foreign exchange	18,738	81,452
Loss on settlement of debt (Note 8, 9 and 12 b)	12,991,076	-
Impairment loss on marketable securities	120,124	-
Gain on derecognition of financial liabilities (16 b)	(893,990)	
Loss on derivative liabilities (Note 10)	-	263,551
Accretion of convertible secured note (Note 9)	-	43,947
Stock based compensation (Note 12 d)	-	84,520
Stock based compensation-non employees (Note 13 d)	-	28,173
	12,310,668	689,894
Net loss from continuing operations	(12,301,705)	(676,329)
Net loss from discontinued operations net of tax (Note 16 a)	(3,902)	(276)
Net loss	(12,305,607)	(676,605)
Other comprehensive income		
Item re-classified to statement of operations		
Impairment loss on marketable securities (Note 6)	110,525	-
Foreign currency translation		
Discontinued operations	-	213,686
Total other comprehensive income	110,525	213,686
Net loss and comprehensive loss	**$ (12,195,082)**	$ (462,919)
Loss per share, basic and diluted		
Continuing operations	**$ (0.191)**	$ (0.024)
Discontinued operations	**$ (0.000)**	$ (0.000)
Total loss per share, basic and diluted	**$ (0.191)**	$ (0.024)
Weighted average shares outstanding, basic and diluted	**64,537,159**	27,671,451

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

EAGLEFORD ENERGY CORP

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
Unaudited

	SHARE CAPITAL Number of Shares*	SHARE CAPITAL	SHARE PURCHASE WARRANTS	SHARE PURCHASE OPTIONS	CONTRI-BUTED SURPLUS	FOREIGN CURRENCY TRANS-LATION RESERVE	AVAILABLE FOR SALE	ACCUMULATED DEFICIT	TOTAL SHARE-HOLDERS' DEFICIENCY
		$	$	$	$	$	$	$	$
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	-	-	-	-
Stock based compensation	-	-	-	112,693	-	-	-	-	112,693
Foreign currency translation									
-discontinued operations	-	-	-	-	-	213,686	-	-	213,686
Net loss for the period, continuing operations	-	-	-	-	-	-	-	(676,329)	(676,329)
Net loss for the period, discontinued operations	-	-	-	-	-	-	-	(276)	(276)
Balance, November 30, 2014	27,671,541	9,072,181	1,970,968	272,553	1,401,010	218,378	-	(16,004,751)	(3,069,661)
Warrants expired	-	-	(1,169,889)	-	1,169,889	-	-	-	-
Derivative warrants expired	-	-	-	-	1,258,206	-	-	-	1,258,206
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	-	-	-	-	-	(218,378)	-	-	(218,378)
Net loss for the period, discontinued operations	-	-	-	-	-	-	-	2,743,772	2,743,772
Net loss for the period, discontinued operations	-	-	-	-	-	-	-	(4,762,185)	(4,762,185)
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)
Item re-classified to statements of operations									
-loss on marketable securities	-	-	-	-	-	-	110,525	-	110,525
Derivative warrants expired	-	-	-	-	281,210	-	-	-	281,210
Shares to be issued as debt extinguishment*	95,431,100	6,371,457	-	-	-	-	-	-	6,371,457
Shares to be issued as private placement*	5,000,000	50,000	-	-	-	-	-	-	50,000
Shares to be issued as anti-dilution provision*	103,299,838	4,542,981	3,339,091	-	-	-	-	-	7,882,072
Net loss for the period, continuing operations	-	-	-	-	-	-	-	(12,301,705)	(12,301,705)
Net loss for the year, discontinued operations	-	-	-	-	-	-	-	(3,902)	(3,902)
Balance, August 31, 2015	**241,402,479**	**20,962,230**	**4,140,170**	**272,553**	**4,110,315**	**-**	**-**	**(30,328,771)**	**(843,503)**

*Issued subsequent to November 30, 2015

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

EAGLEFORD ENERGY CORP

Interim Condensed Consolidated Statements of Cash Flows
For the three months ended November 30,
(Expressed in Canadian Dollars)
Unaudited

	2015	2014
Cash provided by (used in)		
Operating activities		
Net loss	$ (12,305,607)	$ (676,605)
Items not involving cash:		
Loss on settlement of debt (Note 8, 9 and 12 b)	12,991,076	-
Impairment loss on marketable securities (Note 6)	120,124	-
Gain on derecognition of financial liability (Note 16 b)	(893,990)	-
Depletion and accretion	-	237
Loss on derivative liabilities (Note 10)	-	263,551
Accretion of secured note (Note 9)	-	43,947
Decomissioning obligation expenditure	-	(352)
Stock based compensation (Note 12 d)	-	112,693
Net changes in non-cash working capital (Note 13)	18,457	148,584
Net cash used in operating activites	(69,940)	(107,945)
Investing activities		
Additions to exploration and evaluation assets, net	-	(173,104)
Net cash used in investing activities	-	(173,104)
Financing activities		
Private placement of shares, net of share issue costs	50,000	-
Loans payable, net	1,331	137,901
Shareholders' loans, net	-	59,011
Net cash provided by financing activities	51,331	196,912
Decrease in cash for the period	(18,609)	(84,137)
Effect of exchange rate changes on cash	-	(8,961)
Cash, beginning of period	32,192	103,215
Cash, end of period	**$ 13,583**	$ 10,117

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 development and production of petroleum and natural gas properties 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 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.

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 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 seeking additional opportunities and ventures of merit and has not yet realized profitable operations. The Company requires additional financing for its working capital and for the costs of further development opportunities.

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 $843,503 (August 31, 2015: $3,233,160) and an accumulated deficit of $30,328,771 (August 31, 2015: $18,023,164). 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 unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB and interpretations issued by IFRIC. These unaudited interim condensed consolidated financial statements of the Company were approved by the Board of Directors on January 28, 2016.

Basis of Preparation
The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended August 31, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending August 31, 2015 could result in restatement of these unaudited condensed interim consolidated financial statements.

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.

(Expressed In Canadian Dollars) (Unaudited)

The unaudited interim condensed 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. The Company's former subsidiaries, 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 were disposed of effective August 31, 2015 and Dyami Energy LLC ("Dyami Energy") was dissolved effective April 3, 2014.

3. Significant Accounting Policies

These unaudited interim condensed consolidated financial statements were prepared using the same accounting policies and methods as those described in our consolidated financial statements for the year ended August 31, 2015. These unaudited interim condensed consolidated financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Reporting Standards have been omitted or condensed. These unaudited interim condensed consolidated financial statements should be read in conjunction with our consolidated financial statements as at and for the year ended August 31, 2015.

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.

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.

November 30, 2015	**$ Canada**	**$ United States**	**$ Total**
Net revenue, continuing operations	8,963	-	$8,963
Net loss, continuing operations	(12,301,705)		(12,301,705)
Net loss, discontinued operations	-	(3,902)	(3,902)
Net loss	(12,301,705)	(3,902)	(12,305,607)

November 30, 2014	Canada	United States	Total
Net revenue, continuing operations	13,565	-	13,565
Net loss, continuing operations	(676,329)	-	(676,329)
Net loss, discontinued operations	-	(276)	(276)
Net loss	(676,329)	(276)	(676,605)

(Expressed In Canadian Dollars) (Unaudited)

As at November 30, 2015	**$ Canada**	**$ United States**	**$ Total**
Total Assets	51,734	-	51,734
Total Liabilities	895,237	-	895,237

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

6. Marketable Securities

As at November 30, 2015, the Company held 1,200,000 common shares in a quoted company security that had been acquired as settlement of litigation. As at August 31, 2015, the Company recorded a change in the fair value of the securities in other comprehensive loss in the amount of $110,525. For the three months ended November 30, 2015, the Company re-classified the loss of $110,525 to the statement of operations together with a further impairment of $9,599.

Market value on acquisition	$120,125
Change in fair value	(110,525)
Market value, August 31, 2015	$ 9,600
Impairment	(9,599)
Market value, November 30, 2015	$1

7. Exploration and Evaluation Assets

Cost	
Balance August 31, 2014	$5,036,592
Additions, net	109,874
Change in decommissioning obligation estimates	(11,253)
Impairment of Matthews Lease (Note 16 a)	(4,490,045)
Deconsolidation of Zavala Inc. (Note 16 a)	(1,212,996)
Foreign exchange	567,828
Balance August 31, 2015 and November 30, 2015	**$-**

The Company's exploration and evaluation assets were located in Texas, USA. On July 2, 2015, the 2629 acre Matthews Lease transitioned into its production unit phase and a total of 340 acres were held as production units. Accordingly, the Company wrote the lease down to fair value of $1,212,996 and recorded an impairment of exploration and evaluation assets at August 31, 2015 of $4,490,045. 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 and16 a).

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 periods set out were as follows:

	November 30, 2015	August 31, 2015
Short term employee benefits (1)	$15,000	$150,000
Directors stock based compensation (2)	-	84,520
	$15,000	$234,520

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:

	November 30, 2015	August 31, 2015
Short term employee benefits (1)	$140,000	$125,000
	$140,000	$125,000

(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. For the period ended November 30, 2015, the Company accrued management fees for the President of the Company at a rate of $5,000 per month.
(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 November 30, 2015, the amount of directors' fees included in trade and other payables was $21,600 (August 31, 2015: $21,600).

As at November 30, 2015, the Company had a promissory note payable to the President of the Company of $10,000 (August 31, 2015: $10,000). For the period ended November 30, 2015, the Company recorded interest on a promissory note to the President of $249 (August 31, 2015: $838). As at November 30, 2015, included in trade and other payables is outstanding interest of $112,116 (August 31, 2015: $111,009). 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 November 18, 2015, the Company issued to the President 11,400,000 Units in the capital of the Company pursuant to the anti-dilution provision contained in the August 30, 2014, debt conversion agreements (Note 9).

As at November 30, 2015, the Company had a note payable to Core Energy Enterprises Inc. ("Core") of $Nil (August 31, 2015: $339,588 (US$249,250). For the period ended November 30, 2015, the Company recorded interest on the promissory note of $Nil (August 31, 2015: $32,958). As at November 30, 2015, included in trade and other payables, is interest of $Nil (August 31, 2015: $$33,049). Effective November 18, 2015, the Company entered into a shares for debt conversion agreement and converted a note and interest due in the aggregate amount of $362,793 through the issuance of 27,424,300 common shares in the capital of the Company. The fair value of the common shares $1,830,983 was allocated to common shares in the amount of $1,830,983 and $1,468,190 was recorded as loss on settlement of debt in the statement of operations. The President of the Company is a major shareholder, officer and a director of Core.

9. Secured Note Payable, Shareholders' Loans and Notes Payable

Secured Note Payable

As at August 31, 2014, the Company has a secured convertible promissory note payable to Benchmark Enterprises LLC. ("Benchmark") with a face value of $1,322,347 (US$1,216,175) with an interest rate of 10% (the "Note"). The Note was being accreted up to its face value 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. 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.

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 in the amount 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. had 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)	(836,717)
Common shares (Note 12 a)	(925,611)
	$-

Shareholder Loans

As at November 30, 2015, the Company had shareholders' loans payable of $10,000 (August 31, 2015: $339,588). For the period ended November 30, 2015, the Company recorded interest of $Nil on shareholders' loans (August 31, 2015: $86,611). As at November 30, 2015, included in trade and other payables, is interest on shareholders' loans of $54,147 (August 31, 2015: $86,848) (Note 8).

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 was 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 "Units"). 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 terms of the August 30, 2014, conversion agreements contained an anti-dilution provision such that if within 18 months of this the effective date, the Company issues additional common shares for a consideration per share or with an exercise or conversion price per share, less than CDN$0.08 (the "Adjusted Price") the Holder herein shall be entitled to receive from the Company (for no additional consideration) additional Units in an amount such that, when added to the number of Units acquired by Holder under this agreement will equal the number of Units that the Holder would otherwise be entitled to receive had this transaction occurred at the Adjusted Price.

Effective November 18, 2015, the Company issued a total of 103,299,838 Units in the capital of the Company pursuant to the Adjusted Price. 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 units of $7,882,072 was allocated to the 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 recognized as a loss on extinguishment of debt in the statement of operations. Significant assumptions utilized in the Binomial Lattice process for the warrant component of the conversion are as follows:

	November 18, 2015
Market value on valuation date	$0.112
Contractual exercise rate	$0.10
Term (years)	1.79 Years
Expected market volatility	209.66%
Risk free rate using zero coupon US Treasury Security rate	0.90%

Loans Payable

As at November 30, 2015, the Company had loans payable of $198,329 (August 31, 2015: $1,063,105). For the period ended November 30, 2015, the Company recorded interest on the loans payable of $4,945. As at November 30, 2015, included in trade and other payables, is interest of $20,673 (August 31, 2015: $15,619). The loans are payable on demand and bear interest at 10% per annum. Effective November 18, 2015, the Company entered into shares for debt conversion agreements and converted loans and interest due in the aggregate amount of $899,660 through the issuance of 68,006,800 common shares in the capital of the Company. The fair value of the common shares $4,540,474 was allocated to common shares in the amount of $4,540,474 and $3,640,814 was recorded as loss on settlement of debt in the statement of operations.

10. Derivative Liabilities

At November 30, 2015, the Company recorded a net gain on derivative liabilities of $Nil (August 31, 2015: $2,653,591 comprised of a loss on derivative warrant liabilities of $214,109 and a gain derivative unit liabilities of $2,867,700).

Derivative Warrant Liabilities

The Company had 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 were treated as a financial liability and the fair value movement during the period was recognized in the profit or loss.

(Expressed In Canadian Dollars) (Unaudited)

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, 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
Warrants expired	(130,488)	(281,210)	(4.66)
As at November 30, 2015	**-**	**-**	**-**

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.

On September 25, 2015, 112,490 and 17,998 warrants expired 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.

As at November 30, 2015, the Company had no derivative warrant liabilities outstanding. The following table sets out the number of derivative warrant liabilities outstanding as at August 31, 2015:

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

Derivative Unit Liabilities
As at November 30, 2015 and August 31, 2015, the Company had no derivative unit liabilities.

11. Provisions

	Decommissioning Obligations
Balance, August 31, 2014	$47,543
Accretion expense	1,498
Change in estimates	(11,253)
Additions	98,357
Obligations settled	(205)
Deconsolidation of Zavala Inc.(Note 16 a)	(102,143)
Foreign exchange	(22,234)
Balance, August 31, 2015 and November 30, 2015	**$11,563**

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 November 30, 2015 (August 31, 2015: $11,563) based on an undiscounted total future liability of $11,563. These payments are expected to be incurred during 2016.

(Expressed In Canadian Dollars) (Unaudited)

12. Share Capital and Reserves

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, 2014	27,671,541	9,072,181
Common shares issuable upon the settlement of secured convertible note* (Note 12 b (b) and Note 9)	10,000,000	925,611
Balance August 31, 2015	37,671,541	9,997,792
Common shares to be issued as debt extinguishment* (Note 12 b (c))	95,431,100	6,371,457
Common shares to be issued as private placement*(Note 12 b (d))	5,000,000	50,000
Common Shares to be issued as anti-dilution provision* (Note 12 b (e))	103,299,838	4,542,981
Balance November 30, 2015	**241,079,479**	**20,962,230**

*Common shares issued subsequent to November 30, 2015

b Share Purchase Warrants

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

	November 30, 2015		August 31, 2015	
Warrants	**Number of Warrants**	**Weighted Average Price**	**Number of Warrants**	**Weighted Average Price**
Outstanding, beginning of period	7,378,560	$0.10	9,293,560	$0.18
Warrants expired (Note 12 b (a)			(1,915,000)	$0.50
Warrants to be issued (Note 12 (e))*	51,649,919	$0.10		
Balance, end of period	**59,028,479**	**$0.10**	**7,378,560**	**$0.10**

*Warrants issued subsequent to November 30, 2015

(a) 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.

(b) 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 10,000,000 shares of common stock of the Company with a fair value of $925,611 (Note 9).

(c) Effective November 18, 2015, the Company entered into shares for debt conversion agreements and converted loans and interest due in the aggregate amount of $1,262,453 through the issuance of 95,431,100 common shares in the capital of the Company. The fair value of the common shares $6,371,457 was allocated to common shares in the amount of $6,371,457 and $5,109,004 was recorded as loss on settlement of debt in the statement of operations (Note 9).

(d) Effective November 18, 2015, the Company completed a private placement for gross proceeds of $50,000 and issued 5,000,000 common shares in the capital of the Company at a purchase price of $0.01 per share.

(Expressed In Canadian Dollars) (Unaudited)

(e) Effective November 18, 2015, the Company issued 103,299,838 Units in the capital of the Company pursuant to the anti-dilution provision of the August 30, 2014, debt conversion agreements. Each unit was 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 recognized as a loss on extinguishment of debt in the statement of operations (Note 9).

The following table summarizes the outstanding warrants as at November 30, 2015 and August 31, 2015, respectively:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)	Warrant Value ($)
59,028,479	**$0.10**	**August 30, 2017**	**1.75**	**4,140,170**

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

c Weighted Average Shares Outstanding

The following table summarizes the weighted average shares outstanding:

	November 30 2015	August 31, 2015
Weighted Average Shares Outstanding, basic	**64,537,159**	27,698,938
Weighted Average Shares Outstanding, diluted	**64,537,159**	37,555,135

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	105,000	$1.64
Granted	1,000,000	0.12
Expired	(5,000)	(1.64)
Balance, August 31, 2015 and November 30, 2015	**1,100,000**	**$0.25**

The following table is a summary of the Company's stock options outstanding and exercisable as at November 30, 2015 and August 31, 2015, respectively:

Options Outstanding				Options Exercisable	
Exercise Price	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number of Options	Weighted Average Exercise Price
$1.60	100,000	$1.60	1.25	100,000	$1.60
$0.12	1,000,000	$0.12	3.95	1,000,000	$0.12
	1,100,000	**$0.25**	**3.71**	**1,100,000**	**$0.25**

(Expressed In Canadian Dollars) (Unaudited)

	Options Outstanding			**Options Exercisable**	
Exercise Price	**Number of Options***	**Weighted Average Exercise Price**	**Weighted Average Remaining Life (Years)**	**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**

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, 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
Derivative warrants expired (Note 10)	281,210
Balance, November 30, 2015	**4,110,315**

13. Supplemental Cash Flow Information and Non-Cash Transactions

The following table summarizes the non-cash transactions for the periods set out:

Non-cash transactions	**November 30, 2015 ($)**	November 30, 2014 ($)
Derivative warrants expired	(281,2110)	(709,299)
Units to be issued as anti-dilution provision	7,882,072	-
Shares to be issued to settle debt	6,371,457	-
Stock options expired		(11,112)

The following table summarizes the changes in non-cash working capital for the periods set out:

Changes in non-cash working capital	**November 30, 2015 ($)**	November 30, 2014 ($)
Trade and other receivables	13,173	78,870
Trade and other payables	5,284	58,972
Deferred revenue	-	10,742
Net change	18,457	148,584

(Expressed In Canadian Dollars) (Unaudited)

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:

	November 30, 2015 ($)	August 31, 2015 ($)
Cash	13,583	32,192
Trade and other receivables	38,150	51,323
Balance	51,733	83,515

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:

November 30, 2015	**Payments Due by Period**				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Trade and others payables	$675,345	$675,345	-	-	-
Shareholders' loans	10,000	10,000	-	-	-
Loans payable (1)	198,329	198,329	-	-	-
Total	$883,674	$883,674	-	-	-

(1) Translated at current exchange rate.

(Expressed In Canadian Dollars) (Unaudited)

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.

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.

Commodity Price Sensitivity
The following table summarizes the sensitivity of the fair value of the Company's risk management position for the periods ended November 30, 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	$10,099	$7,827	$15,524	$11,606
Net loss, continuing operations	$(12,300,569)	$(12,302,841)	$(674,370)	$(678,288)

(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 as at November 30, 2015 and 2014:

	November 30, 2015 ($)	November 30, 2014 **($)**
Cash	139	5,097
Trade and other receivables	8,109	17,516
Trade and other payables	(148,665)	(870,897)
Loans payable	(121,000)	(121,000)
Shareholders' loans	-	(904,250)
Derivative liabilities	-	(5,072,255)
Prepaid expenses and deposits	-	30,229
Exploration and evaluation assets	-	4,773,479
Secured convertible note	-	(38,459)
Deferred revenue	-	(165,000)
Provisions	-	(33,522)
Net assets denominated in US$	(261,417)	(2,379,062)
Net asset CDN dollar equivalent at period end (1)	(348,547)	(2,718,554)

(1) Translated at the exchange rate in effect at November 30, 2015 $1.3333 (November 30, 2014 $1.1427)

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.

	November 30, 2015		November 30, 2014	
	Increase	Decrease	Increase	Decrease
Percentage change in US Dollar	In total comprehensive loss from a change in % in the US Exchange Rate ($)		In total comprehensive loss from a change in % in the US Exchange Rate ($)	
10%	(46,472)	46,472	(244,201)	244,201
20%	(92,944)	92,944	(488,401)	488,401
30%	(139,415)	139,415	(732,602)	732,602
40%	(185,887)	185,887	(976,802)	976,802

(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 November 30, 2015 and August 31, 2015 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.

(Expressed In Canadian Dollars) (Unaudited)

• 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.

	November 30, 2015		August 31, 2015	
Financial Instrument Classification	Carrying Value ($)	Fair Value ($)	Carrying Value ($)	Fair Value ($)
Fair value through profit or loss:				
Cash	13,583	13,583	32,192	32,192
Derivative liabilities	-	-	281,210	281,210
Loans and receivables:				
Trade and other receivables	38,150	38,150	51,323	51,323
Other financial liabilities:				
Trade and other payables	675,345	675,345	1,630,809	1,630,809
Shareholders' loans	10,000	10,000	339,588	339,588
Loans payable	198,329	198,329	1,063,105	1,063,105
Provisions	11,563	11,563	11,563	11,563

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.

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 development opportunities. 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 or adjust capital spending.

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 November 30, 2015 and August 31, 2015, the Company considered its capital structure to comprise of shareholders' equity.

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 November 30, 2015. The Company is not subject to any externally imposed restrictions on its capital requirements.

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") dated August 31, 2014, 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:

(Expressed In Canadian Dollars) (Unaudited)

(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. had 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.

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

	Three Months Ended November 30, 2015	Three Months Ended November 30, 2014
Expenses		
Accretion	$-	$237
General and administrative	3,902	39
Loss from discontinued operations	(3,902)	(276)
Foreign currency translation	-	213,686
Comprehensive income (loss) from discontinued operations	$(3,902)	$213,410
Loss per share basic and diluted from discontinued operations	$(0.000)	$(0.000)

The following table presents the consolidated statements of cash flows of Zavala Inc. for the periods set out:

	Three Months Ended November 30, 2015	Three Months Ended November 30, 2014
Cash provided by (used in)		
Operating activities		
Net loss from discontinued operations	$(3,902)	$(276)
Accretion	-	237
Net changes in non-cash working capital		
Accounts receivable	-	60,432
Accounts payable	-	(59,894)
Deferred revenue	-	10,742
Cash provided by (used in) operating activities, discontinued operations	(3,902)	11,241
Investing activities		
Additions to exploration and evaluation assets, net	-	(173,104)
Cash used in investing activities, discontinued operations	-	(173,104)
Net cash used in discontinued operations	$(3,902)	$(161,863)

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.

b Dissolution of Dyami Energy LLC

As previously disclosed, 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 Lease operations, hence the lease was considered impaired and during the year ended August 31, 2014 an impairment loss of $1,675,749 was recorded by Dyami Energy. 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.

The Company's investment in Dyami Energy had 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. Prior obligations related to Dyami Energy, with respect to the Matthews and Murphy Leases of $893,990 expired and have been recorded as a gain on de-recognition of financial liabilities in the in the unaudited interim condensed consolidated statements of operations as at November 30, 2015.

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.

The Company filed articles of amendment and effective February 1, 2016, changed its name from Eagleford Energy Corp., to Intelligent Content Enterprises Inc., and consolidated its common shares on the basis of one (1) new share for every ten (10) old shares.