Management's Discussion and Analysis
For the Three Months Ended
November 30, 2015

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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 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 Financial Statements at $Nil. 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.

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 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.

The Company’s Unaudited Interim Condensed Consolidated Financial Statements for the three months ended November 30, 2015 and 2014, include the accounts of Eagleford, the legal parent, together with its wholly-owned subsidiary, 1354166 Alberta Ltd. an Alberta operating company (“1354166 Alberta”). All Intercompany balances and transactions have been eliminated on consolidation. The Company’s former subsidiaries, Eagleford Energy, Zavala Inc. a Nevada company (“Zavala Inc.”) and its wholly owned subsidiary EEZ Operating Inc. a Texas company (“EEZ Operating”) were disposed of effective August 31, 2015 and accordingly Zavala Inc., was deconsolidated and presented as discontinued operations on the Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss and the Unaudited Interim Condensed Consolidated Statements of Cash Flows. The Company’s former Texas wholly-owned subsidiary Dyami Energy LLC was dissolved effective April 3, 2014 and the Company’s investment in Dyami Energy was deconsolidated from the Company’s Consolidated Financial Statements and presented as an impairment of the net assets and liabilities on dissolution of subsidiary (see Note 16 to the Consolidated Financial Statements, Discontinued Operations and Dissolution of Subsidiary).

The following Management’s Discussion and Analysis of Eagleford should be read in conjunction with the Company’s Unaudited Interim Condensed Consolidated Financial Statements for the three months ended November 30, 2015 and notes thereto. This Management’s Discussion and Analysis is dated January 28, 2016, and has been approved by the Board of Directors of the Company.

The Company’s Unaudited Interim Condensed Consolidated Financial Statements for the three months ended November 30, 2015, were prepared using the same accounting policies and methods of computation as those described in our Consolidated Financial Statements 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, 2016 could result in restatement of the unaudited condensed interim consolidated financial statements

The 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”). The 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.

The Unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with our Consolidated Financial Statements for the year ended August 31, 2015. All amounts herein are presented in Canadian dollars, unless otherwise noted.

FORWARD LOOKING STATEMENTS

This Management’s Discussion and Analysis contains certain forward-looking statements, including management’s assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company’s control. Such risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Company’s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking *statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that the Company will derive there from. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this Management Discussion and Analysis are made as at the date of this Management Discussion and Analysis and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

Non-IFRS Measurements – *Certain measures in this Management's 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.*

GLOSSARY OF ABBREVIATIONS

Bbl	barrel
Bbl/d	barrels per day
Boe	barrels of oil equivalent [(1)]
Boe/d	barrels of oil equivalent per day
Mcf	1,000 cubic feet of natural gas
Mcf/d	1,000 cubic feet of natural gas per day

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

OVERALL PERFORMANCE

Revenue, net of royalties for the three months ended November 30, 2015, decreased to $8,963 compared to $13,565 for the same three month period in 2014. Net loss continuing operations for the three months ended November 30, 2015, was $12,301,705, compared to a net loss of $676,329 for the three months ended November 30, 2014. The increase in net loss during 2015 was primarily related to an increase in loss on settlement of debt of $12,991,076 compared to $Nil in 2014. The loss on settlement of debt during 2015, was attributed to the conversion of 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 at fair value and the issuance of 103,299,838 units in the capital of the Company at fair value pursuant to the anti-dilution provision of the August 30, 2014, debt conversion agreements. During the three months ended November 30, 2015, the Company recorded an impairment of marketable securities in the amount of $120,124 compared to $Nil in 2014.

Effective November 18, 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.

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.

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.

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.

RISK AND UNCERTAINTIES

There have been no material changes during the three months ended November 30, 2015, to the risks and uncertainties as identified in the Management Discussion and Analysis and the Annual Report on Form 20F for the year ended August 31, 2015.

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.

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.

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 favorable 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.

RESULTS OF OPERATIONS-CONTINUING OPERATIONS

Historical Production	**For the Three Months Ended November 30,**	
	2015	**2014**
Natural gas – mcf/d	59	52
Historical Prices		
Natural Gas - $/mcf	$2.24	$4.19
Royalties costs - $/mcf	$0.54	$1.32
Production costs - $/mcf	$0.66	$0.67
Net back - $/mcf	$1.04	$2.20
Operations		
Revenue, net of royalties	$8,963	$13,565
Net loss	$(12,301,705)	$(676,329)
Loss per share, basic and diluted	$(0.191)	$(0.024)

Production Volume

For the three months ended November 30, 2015, average natural gas sales volumes were up slightly to 59 mcf/d compared to 52 mcf/d for the same period in 2014. Total production volume for the three months ended November 30, 2015 was 5,280 mcf compared to 4,670 mcf for the same three month period in 2014.

Commodity Prices

For the three months ended November 30, 2015, average natural gas prices received per mcf decreased by 47% to $2.24 compared to $4.19 for the three months ended November 30, 2014.

The decrease in average natural gas prices received was attributed to lower commodity prices for natural gas for the three months ended November 30, 2015.

Natural Gas Sales, Net of Royalties	For the Three Months Ended November 30, 2015	For the Three Months Ended November 30, 2014
Natural gas sales	$11,792	$19,260
Royalties	(2,829)	(5,695)
Revenue, net of royalties	$8,963	$13,565

Natural gas sales for the three months ended November 30, 2015, was down $7,468 to $11,792 compared to $19,260 for the three months ended November 30, 2014.

The decrease in sales for the three month period ended November 30, 2015, was attributed to lower commodity prices received for natural gas and higher production volume.

Royalties for the three months ended November 30, 2015, were $2,829 versus $5,695 for the three month period in 2014.

As a result of the above, natural gas sales, net of royalties for the three months ended November 30, 2015, decreased to $8,963 compared to $13,565 for the same three month period in 2014.

Operating Costs

For three months ended November 30, 2015, operating costs remained relatively consistent at $3,527 compared to operating costs of $3,680 for the three months ended November 30, 2014.

General and Administrative Expenses	For the Three Months Ended November 30, 2015	For the Three Months Ended November 30, 2014
Professional fees	$10,603	$20,710
Head office costs	25,500	25,500
Management fees	15,000	37,500
Transfer and registrar costs	1,817	1,787
Shareholders information	9,812	1,189
Office and general costs	843	1,563
Directors fees		300
Total	$63,575	$88,549

General and administrative expenses for the three months ended November 30, 2015, were $24,947 lower at $63,575 compared to $88,549 for the three months ended November 30, 2014. The decrease in expenses during 2015, was primarily attributed to a decrease in management fees of $22,500 to $15,000 compared to $37,500 in 2014 as well as a decrease in professional fees of $10,107 to $10,603 compared to $20,710 for the same three month period in 2014. These decreases were partially offset by higher shareholder information costs of $9,812 compared to $1,189 for the three months ended November 30, 2014.

Interest Expense

For the three months ended November 30, 2015, the Company incurred interest costs of $7,618 versus interest costs of $96,022 for the three months ended November 30, 2014.

The decrease in interest costs during the three months ended November 30, 2015, was primarily attributed to the extinguishment of a secured convertible note effective August 31, 2015, and the settlement of loans payable and shareholder loans payable.

Loss on Foreign Exchange

For the three months ended November 30, 2015, the Company recorded a loss on foreign exchange of $18,738 compared to a loss of $81,452 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.

Loss on Settlement of Debt

For the three months ended November 30, 2015, the Company recorded a loss on settlement of debt in the amount of $12,991,076 compared to $Nil for the same three month period in 2014.

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.

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.

Impairment Loss on Marketable Securities

For the three months ended November 30, 2015, the Company recorded an impairment loss on marketable securities in the amount of $120,124 compared to $Nil for the same three month period in 2014.

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 comprehensive loss of $110,525 to the statement of operations and recorded a further impairment of $9,599.

Gain on De-Recognition of Financial Liabilities

For the three months ended November 30, 2015, the Company recorded a gain on de-recognition of financial liabilities in the amount of $893,990 compared to $Nil for the same three month period in 2014.

Effective April 3, 2014, Dyami Energy's charter was dissolved by the Secretary of State, Texas. Accordingly, 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.

Loss on Derivative Liabilities

For the three months ended November 30, 2015, the Company recorded a loss on derivative liabilities of $Nil compared to a loss of $263,551 for the three months ended November 30, 2014 as follows:

Derivative Warrant Liabilities

For the three months ended November 30, 2015, the Company recorded a loss on derivative warrant liabilities of $Nil compared to a loss of $66,156 for the three months ended November 30, 2014.

The Company had 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 were treated as a derivative financial liability and the fair value movement during the period was recognized in the consolidated statement of operations.

Derivative Unit Liabilities

For the three months ended November 30, 2015, the Company recorded a loss on derivative unit liabilities of $Nil compared to $197,395 for the three months ended November 30, 2014.

At, November 30, 2014, the Company had a secured convertible note payable with a face value of $1,366,194 (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 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 "Conversion Unit"). Since both components of the Conversion Unit (the common share component and warrant component) contained a variable exercise/conversion price, the Conversion Unit met the definition of a financial liability that required fair value measurement each period. At August 31, 2015, the Note had been extinguished.

Accretion of Convertible Secured Note

For the three months ended November 30, 2015, the Company recorded accretion on the secured convertible note in the amount of $Nil compared to $43,947 in the three month period in 2014.

At, November 30, 2014, the Company had a secured convertible note payable with a face value of $1,366,194 (August 31, 2014: $1,322,347) (the "Note"). The Note was being accreted up to its face value over the life of Note based on an effective interest rate. At August 31, 2015, the Note had been extinguished.

Stock Based Compensation Expense
For the three months ended November 30, 2015, the Company recorded stock based compensation of $Nil compared to $84,520 for the same period in 2014.

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. The Company recorded non-cash stock based compensation expense of $84,520.

Stock Based Compensation-Non Employees
For the three months ended November 30, 2015, the Company recorded stock based compensation of $Nil compared to $28,173 for the same period in 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. The Company recorded non-cash stock based compensation expense of $28,173.

Net Loss from Continuing Operations
Net loss continuing operations for the three months ended November 30, 2015, was $12,301,705, compared to a net loss of $676,329 for the three months ended November 30, 2014. The increase in net loss during 2015 was primarily related to an increase in loss on settlement of debt of $12,991,076 compared to $Nil in 2014 The increase in loss on settlement of debt during 2015, was attributed to the conversion of 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 at fair value and the issuance of 103,299,838 units in the capital of the Company at fair value pursuant to the anti-dilution provision of the August 30, 2014, debt conversion agreements. During the three months ended November 30, 2015, the Company recorded an impairment of marketable securities in the amount of $120,124 compared to $Nil in 2014. The increase in net loss during 2015, was partially offset by a gain on de-recognition of financial liabilities of $893,990 compared to $Nil in 2014.

Net Loss from Discontinued Operations net of tax
Net loss from discontinued operations net of tax for the three months ended November 30, 2015, was $3,902 compared to a loss from discontinued operations net of tax of $276 for the three months ended November 30, 2014.

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	2014
Expenses		
Accretion	$-	$237
General and administrative	3,902	39
Loss from discontinued operations net of tax	(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)

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. Accordingly, the Company's investment in Zavala Inc. had been deconsolidated from the Company's Consolidated Financial Statements as at August 31, 2015 and presented as discontinued operations.

Net Loss
Net loss for the three months ended November 30, 2015, was $12,305,607, compared to a net loss of $676,605 for the three months ended November 30, 2014. The increase in net loss during 2015 was primarily related to an increase in loss on settlement of debt of $12,991,076 compared to $Nil in 2014. The increase in loss on settlement of debt during 2015, was attributed to the conversion of 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 at fair value and the issuance of 103,299,838 units in the capital of the Company at fair value pursuant to the anti-dilution provision of the August 30, 2014, debt conversion agreements. During the three months ended November 30, 2015, the Company recorded an impairment of marketable securities in the amount of $120,124 compared to $Nil in 2014. The increase in net loss during 2015 was partially offset by a gain on de-recognition of financial liabilities of $893,990 compared to $Nil in 2014.

Other Comprehensive Income
Impairment Loss on Marketable Securities-Continuing Operations
As at November 30, 2015, the Company reclassified an unrealized loss on marketable securities of $110,525 to an impairment loss on marketable securities on the consolidated statement of operations (November 30, 2014 $Nil).

Foreign Currency Translation-Discontinued Operations
For the three months ended November 30, 2015, the Company incurred a gain on foreign currency translation of $Nil versus a gain of $213,686 for the same three month period in 2014.

The gain was related to translation differences between Zavala Inc. 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
Total other comprehensive income for the three months ended November 30, 2015 was $110,525 compared to a comprehensive income of $213,686 for the three months ended November 30, 2014.

Net Loss and Comprehensive Loss
Total loss and comprehensive loss for the three months ended November 30, 2015 was $12,195,082 compared to a total loss and comprehensive loss of $462,919 for the three months ended November 30, 2014.

Loss per Share, Basic and Diluted
Basic and diluted loss per share from continuing operations for the three months ended November 30, 2015 was $0.191 compared to basic and diluted loss per share of $0.024 for the same three month period in 2014.

Basic and diluted loss per share from discontinued operations for the three months ended November 30, 2015 was $0.000 compared to basic and diluted loss per share of $0.000 for the same three month period in 2014.

Total Loss per Share, Basic and Diluted
Total loss per shares basic and diluted Basic loss per share from continuing operations for the three months ended November 30, 2015 was $0.191 compared to total basic and diluted loss per share of $0.024 for the same three month period in 2014.

SUMMARY OF QUARTERLY RESULTS-CONTINUING OPERATIONS

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

	2015	**2015**	**2015**	**2015**
For the quarter ending	**November 30**	**August 31**	**May 31**	**February 29**
Revenue, net of royalties	$8,963	$15,791	$11,905	$11,794
Net income (loss) for the period	$(12,301,705)	$3,527,501	$(1,058,670)	$274,941
Earnings (loss) per share, basic	$(0.191)	$0.126	$(0.038)	$0.010
Earnings (loss) per share, diluted	$(0.091)	$0.096	$(0.038)	$0.005

Revenue, net of royalties for the four quarters fluctuated as a result of changes in production volume and commodity prices. For the three months ended November 30, 2015, the Company recorded a loss on settlement of debt in the amount of $12,991,076. 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.

	2014	**2014**	**2014**	**2014**
For the quarter ending	**November 30**	**August 31**	**May 31**	**February 29**
Revenue, net of royalties	$13,565	$19,551	$22,116	$9,754
Net income (loss) for the period	$(676,329)	$(4,330,816)	$(1,272,001)	$(400,001)
Loss per share, basic and diluted	$(0.024)	$(0.327)	$(0.098)	$(0.032)

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 November 30, 2014, the Company recorded a loss on derivative liabilities of $263,551 and stock based compensation expense of $112,693. 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. 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.

CAPITAL EXPENDITURES

For the three months ended November 30, 2015, the Company recorded net additions to exploration and evaluation assets of $Nil (August 31, 2015: $109,874)

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

FINANCING ACTIVITIES

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.

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.

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

LIQUIDITY AND CAPITAL RESOURCES

Cash as of November 30, 2015, was $13,583 (August 31, 2015: $32,192). During the three months ended November 30, 2015, the Company completed a private placement for gross proceeds of $50,000.

For the three months ended November 30, 2015, the primary use of funds was related to administrative expenses. The Company's working capital deficiency at November 30, 2015 was $843,503 (August 31, 2015: $3,233,160). During the three months ended November 30, 2015, the Company converted debt in the aggregate amount of $1,262,453 through the issuance of common shares.

Our current assets of $51,734 as at November 30, 2015, ($93,115 as of August 31, 2015) include the following items: cash $13,583 ($32,192 as of August 31, 2015), trade and other receivables $38,150 ($51,323 as of August 31, 2015) and marketable securities of $1 ($9,600 as of August 31, 2015).

Our current liabilities of $895,237 as of November 30, 2015 ($3,326,275 as of August 31, 2015) include the following items: trade and other payables $675,345 ($1,630,809 as of August 31, 2015); shareholders' loans $10,000 ($339,588 as of August 31, 2015); loans payable of $198,329 ($1,063,105 as of August 31, 2015); derivative liabilities of $Nil ($281,210 as of August 31, 2015); and provisions of $11,563 ($11,563 as of August 31, 2015).

At November 30, 2015, the Company had outstanding 59,028,479 common share purchase warrants exercisable at $0.10 per share. If any of these common share purchase warrants are exercised, it would generate additional capital for us.

Management of the Company recognizes that cash flow from operations is not sufficient meet its working capital requirements or fund additional opportunities or ventures of merit. The Company has liquidity risk which necessitates the Company to obtain debt financing or raise additional 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

We anticipate further expenditures to expand our current business plan. Amounts expended on future opportunities and ventures of merit is dependent on the nature of the opportunities evaluated by us. 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.

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.

SECURED NOTE PAYABLE AND SHAREHOLDER LOANS

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.

At August 31, 2015, the Company was unable to pay the Note in the amount of $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 (see Note 16 to the Unaudited Interim Condensed Consolidated Financial Statements).

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) (see Note 8 to the Unaudited Interim Condensed Consolidated Financial Statements).

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.

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.

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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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)

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)

SEASONALITY AND TREND INFORMATION

The Company's 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 the Company's oil and gas properties is the primary determinant for the volume of sales during the year.

The level of activity in the oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas properties are located in areas that are inaccessible except during the winter months because of swampy terrain and other areas are inaccessible during certain months of year due to deer hunting season. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of the Company.

The impact on the oil and gas industry from commodity price volatility is significant. During periods of high prices, producers conduct active exploration programs. 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 has increased materially in value against the United States dollar.

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.

SIGNIFICANT ACCOUNTING POLICIES

The 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's management made assumptions, estimates and judgments in the preparation of the Unaudited Condensed Interim Consolidated Financial Statements. Actual results may differ from those estimates, and those differences may be material. There has been no material changes in the three months ended November 30, 2015 to the critical accounting estimates and judgments.

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.

SHARE CAPITAL AND RESERVES

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 (b))	10,000,000	925,611
Balance August 31, 2015	37,671,541	9,997,792
Common shares to be issued as debt extinguishment* (Note (c))	95,431,100	6,371,457
Common shares to be issued as private placement*(Note (d))	5,000,000	50,000
Common Shares to be issued as anti-dilution provision* (Note (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

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 (a))			(1,915,000)	$0.50
Warrants to be issued (Note (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.

(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.

(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.

(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.

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

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.

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**

	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

Contributed Surplus
Contributed surplus transactions for the respective periods are as follows:

	Amount $
Balance, August 31, 2014	1,389,898
Stock options expired	11,112
Warrants expired	1,169,889
Derivative warrants expired	1,258,206
Balance, August 31, 2015	3,829,105
Derivative warrants expired	281,210
Balance, November 30, 2015	**4,110,315**

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.