

Jagercor Energy Corp.
Condensed Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
For the three month ended 31 July 2017

NOTICE OF NO AUDITOR REVIEW

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Jagercor Energy Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgment based on information currently available.

The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity’s auditor.

29 September 2017

Jagercor Energy Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at 31 July 2017	As at 30 April 2017 (Audited)
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	230,749	482,229
Short-term investment	6	-	-
Prepaid expenses	7	11,436	16,623
Amounts receivable	8	329	1,560
Total current assets		242,514	500,412
Non-Current assets			
Investment	9	-	-
Prepaid taxes	8	-	-
Total non-current assets		-	-
Total assets		242,514	500,412
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	10	39,810	51,092
Total liabilities		39,810	51,092
Equity			
Common shares	11	7,245,232	7,245,232
Shares to be issued	16	29,200	29,200
Reserves	11	5,588,580	5,518,150
Accumulated other comprehensive income		779,566	791,283
Deficit		(13,340,307)	(13,042,995)
Non-controlling interest		(99,567)	(91,550)
Total equity		202,704	449,320
Total equity and liabilities		242,514	500,412

Corporate Information and Going Concern (Note 1)

APPROVED BY THE BOARD:

Edgardo Russo

Pablo Carabajal

Director

Director

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

Jagercor Energy Corp.

Condensed Interim Consolidated Statements of Net and Comprehensive Income (Loss)

(Expressed in Canadian dollars)

(Unaudited)

	Notes	Three months ended 31 July	
		2017	2016
		\$	\$
Operating Expenses			
General & administrative		(180,432)	(101,271)
Operating costs		-	-
Business development		(12,050)	(766)
Share-based payments	12	(70,430)	-
Impairment		-	-
Total operating expenses		(262,912)	(102,037)
Gain (loss) on foreign exchange	6	(42,092)	(10,514)
Interest income		126	15,576
Gain (loss) on settlement of debt		-	-
Write-down of loan payable		-	-
Net income (loss) for the period		(304,878)	(96,975)
Other comprehensive income			
Cumulative translation adjustment		(12,169)	135,885
Comprehensive income (loss) for the period		(317,046)	38,910
Net income (loss) attributable to:			
Shareholders of parent company		(297,312)	(94,896)
Non-controlling interest		(7,565)	(2,079)
Other comprehensive income attributable to:			
Shareholders of parent company		(11,716)	131,478
Non-controlling interest		(452)	4,407
Earnings (loss) per share – basic and diluted	13	(0.003)	(0.001)

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

Jagercor Energy Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Notes	Three months ended 31 July	
		2017	2016
		\$	\$
OPERATING ACTIVITIES			
Net income (loss)		(304,878)	(96,975)
Adjustments to reconcile income (loss) to cash provided (used in) operating activities:			
Share-based payments	12	70,430	-
Amounts receivable	8	1,231	(17,508)
Prepaid expenses	7	4,600	3,947
Trade and other payables	10	(9,261)	(8,752)
Cash provided by (used in) operating activities		(237,878)	(119,288)
INVESTING ACTIVITIES			
Sale of short-term investment	6	-	-
Return from investment Catriel Oeste Project	9	-	218,689
Cash provided by investing activities		-	218,689
Effect of exchange rate on cash and cash equivalents		(13,602)	15,457
Increase (decrease) in cash and cash equivalents		(251,480)	114,858
Cash and cash equivalents, beginning of period		482,229	321,493
Cash and cash equivalents, end of period		230,749	436,351

Supplemental cash flow information (Note 17)

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

Jagercor Energy Corp.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Common shares	Shares to be issued	Share issuance cost	Reserves		Accumulated other comprehensive income attributable to parent	Deficit attributable to parent	Non-controlling interest	Total
					Option reserve	Warrant reserve				
Balances, 30 April 2016	94,548,491	7,602,883	29,200	(357,651)	3,743,323	1,774,827	623,787	(9,772,673)	19,437	3,663,133
Shares issued for debt	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	131,478	-	4,407	135,885
Net loss for the period	-	-	-	-	-	-	-	(94,896)	(2,079)	(96,975)
Balances, 31 July 2016	94,548,491	7,602,883	29,200	(357,651)	3,743,323	1,774,827	755,265	(9,867,569)	21,765	3,702,043
Balances, 30 April 2017	94,548,491	7,602,883	29,200	(357,651)	3,743,323	1,774,827	791,283	(13,042,995)	(91,550)	449,320
Translation adjustment	-	-	-	-	-	-	(11,716)	-	(452)	(12,168)
Net loss for the period	-	-	-	-	-	-	-	(297,312)	(7,565)	(304,878)
Share-based payment	-	-	-	-	70,430	-	-	-	-	70,430
Balances, 31 July 2017	94,548,491	7,602,883	29,200	(357,651)	3,813,753	1,774,827	779,567	(13,340,307)	(99,567)	202,704

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

Jagercor Energy Corp.

Notes to the Condensed Interim Consolidated Financial Statements

31 July 2017

(Expressed in Canadian dollars)

(Unaudited)

1. CORPORATE INFORMATION AND GOING CONCERN

Jagercor Energy Corp. (the “Company”) was incorporated under the laws of the province of British Columbia on 8 June 1987. On 20 January 2011, the Company’s name was changed from Anglo-Canadian Gas Corp. to Jager Metals Inc. Effective 24 January 2014, the Company’s name was changed from Jager Metals Inc. to Jagercor Energy Corp.

The Company is focused on joint commercial opportunities related to acquiring and developing oil and gas properties, with a particular focus on production management and field development in South America, mainly in Argentina.

On 2 August 2013, the Company commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol ‘JEM’.

The principal address and registered and records office is located at Suite, 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5.

These financial statements present the consolidated operations of the Company and its Argentinean controlled subsidiary. The Company’s near term focus is to acquire, develop and produce oil and gas reservoirs suitable for production in Argentina. These condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company’s condensed interim consolidated financial statements for the three month period ended 31 July 2017 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has a comprehensive loss of \$317,046 for the three month period ended 31 July 2017, and has working capital of \$202,704 at 31 July 2017.

The Company had cash and cash equivalents of \$230,749 as at 31 July 2017. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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2. BASIS OF PREPARATION

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its 96.288% interest in Jager Energía Argentina S.A. On April 9, 2014, the Company purchased 96% interest in Jager Energía Argentina S.A and through subsequent transactions reached 96.87%. On April 21, 2017 the Company decreased its capital contribution to its subsidiary, becoming the 96.288% owner of the Argentinean Company.

Non-controlling interest

Non-controlling interest in the Company's less than wholly owned subsidiary is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

2.2 Basis of presentation

The Company's condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 16, and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements do not include all of the information required of a full annual financial report and should be read in conjunction with the annual financial statements of the Company for the year ended 30 April 2017. The Board of Directors approved these condensed interim consolidated financial statements on September 27, 2017.

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2.4 Recent accounting pronouncement

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning on or after January 1, 2018. The following standard has not yet been adopted by the Company and is being evaluated to determine its impact:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

The following standards, amendments to standards and interpretations have been issued for annual periods beginning on or after January 1, 2019 but are not yet effective:

- IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company’s condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Company's critical judgments in applying accounting policies include judgments regarding the going concern of the Company, which have been discussed in Note 1.

Critical accounting estimates and assumptions developed and applied by management are as follows:

Share-based payment transactions

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

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and models used for estimating fair value for share-based payment transactions are disclosed in Note 12.

Recoverability of investment

The recoverability of the amount shown for investment had been dependent upon the existence of economically recoverable oil and gas reserves and the continued successful extraction of those reserves, or proceeds from a disposition of the asset itself.

The Catriel Oeste concession expired on October 25, 2016. As a result the Company wrote off the investment during the year ended April 30, 2017 (Note 9).

3.2 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

3.3 Principles of consolidation

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consist of the non-controlling interest's portion of net assets and profit or loss.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

3.4 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related property and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

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Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the production of hydrocarbon resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to producing property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.5 Foreign currencies

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The Company determined that its functional currency is the Canadian dollar for its parent, and it is the US dollar for its Argentinean subsidiary commencing October 2014, prior to which it was the Canadian dollar. The functional currency of the Company's Argentinean subsidiary was changed to US dollars as a result the Company's investment made and returns received during the year being denominated in US dollars.

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

The financial results and position of foreign operations whose functional currency is different from the reporting currency are translated as follows:

- i) assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- ii) income and expenses are translated at average exchange rates for the period.

Exchange gains and losses arising on translation are recognized in accumulated other comprehensive loss.

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3.6 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed or capitalized, as appropriate. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.7 Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are measured, recognized and disclosed for the full financial year in the audited financial statements.

3.8 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

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Financial assets at FVTPL

Financial assets are classified as FVTPL and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as FVTPL. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents and short-term investments are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable and investment are included in this category of financial assets.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.9 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

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Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade and other payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.10 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

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Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.11 Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.12 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

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3.13 Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other exploration and evaluation assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

For the three month period presented, the Company does not have any restoration or environmental obligations.

3.14 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. See Note 17 for further disclosures.

3.15 Earnings/Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments by recognizing the dilutive effect on loss per share on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, this calculation proved to be anti-dilutive.

Basic earnings (loss) per share are calculated using the weighted-average number of shares outstanding during the period.

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3.16 Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings. Gains and losses that would otherwise be recorded within profit or loss are presented in other comprehensive income (loss) until it is considered appropriate to recognize into net earnings. The Company's translation of its subsidiary to Canadian dollars is the only item currently affecting other comprehensive income (loss) for the periods presented.

3.17 Comparative figures

Certain comparative figures have been adjusted to conform to the current period's presentation.

4. SEGMENTED INFORMATION

The Company operates in one business segment, being the investment in oil and gas properties. Geographical information is as follows:

	Canada	Argentina	Total
	\$	\$	\$
Current assets			
As at 31 July 2017	164,642	77,872	242,514
As at 30 April 2017	198,509	301,903	500,412
Long-term assets			
As at 31 July 2017	-	-	-
As at 30 April 2017	-	-	-
Net loss			
As at 31 July 2017	-101,068	-203,810	-304,878
As at 30 April 2017	-118,978	-3,272,831	-3,391,809

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5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

	As at 31 July 2017	As at 30 April 2017
	\$	\$
Denominated in Argentinean Pesos	16,262	34,245
Denominated in Canadian dollars	27,219	25,023
Denominated in US dollars	187,268	422,961
Total cash and cash equivalents	230,749	482,229

As at 31 July 2017, cash and cash equivalents include three redeemable guaranteed investment certificates ("GIC") for a total of \$23,153 (30 April 2017 - \$23,062) with annual rates between 2% and 2.10%. The remaining balance of \$207,596 (2017 - \$459,167) is held as cash on demand.

6. SHORT-TERM INVESTMENT

	As at 31 July 2017	As at 30 April 2017
	\$	\$
Beginning balance	-	249,357
Net proceeds from sale of investment	-	-305,925
Gain on sales	-	44,101
Foreign exchange adjustment	-	12,467
Ending balance	-	-

7. PREPAID EXPENSES

The Company's prepaid expenses as at 31 July 2017 include from the Argentinean subsidiary rent deposit and insurance totaling \$5,428 (30 April 2017 - \$8,472) and from Canada \$6,008 for prepaid insurance (30 April 2017 - \$8,151).

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8. AMOUNTS RECEIVABLE AND PREPAID TAXES

The Company's amounts receivable arise from Goods and Services Tax ("GST") receivable due from the government taxation authorities in Canada; and from Argentina where there are current receivables which represents accrued proceeds receivable on the investment and non-current prepaid taxes to be applied to future Argentinean taxes payable. This is as follows:

	As at 31 July 2017	As at 30 April 2017 (Audited)
	\$	\$
GST receivable	329	1,560
Amounts receivable	-	-
Total	329	1,560

	As at 31 July 2017	As at 30 April 2017 (Audited)
	\$	\$
Prepaid Argentinean taxes (i)	-	-
Total	-	-

(i) During the year ended April 30, 2017 the Company determined that the prepaid Argentinean taxes were not collectable and were written off to general and administrative expenses.

9. INVESTMENT

	As at 31 July 2017	As at 30 April 2017
	\$	\$
Beginning balance	-	2,925,416
Investment recovery	-	(485,601)
Foreign exchange adjustment	-	142,429
Impairment loss	-	(2,582,244)
Ending balance	-	-

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On 7 August 2014, the Company entered into a field development agreement (the “Agreement”) with Central International Corporation Sucursal Argentina (“Central”), an upstream oil and gas operator in Argentina, to fund the drilling of three wells at Catriel Oeste Oil Concession, located in Rio Negro Province, Argentina.

Under the terms of the Agreement, the Company paid \$4,644,326 (US\$4,153,138) to Central, which was used to drill, complete, and equip three development wells. In the initial phase of the project, 70% of gross proceeds flow to the Company in order to recover its investment.

During the year ended 30 April 2017, realized investment returns were \$485,601 (US\$371,483); during the year ended 30 April 2016 the realized investment returns were \$1,214,430 (US\$950,398).

The Catriel Oeste concession expired on October 25, 2016. Central advised the Company that the Province of Rio Negro rejected its offer, denying an extension of the concession agreement. Central operated the Catriel Oeste oil field until the end of February 2017. As a result of Central’s inability to obtain a concession extension, the Company wrote off the remaining balance of the investment and recorded an impairment loss of \$2,582,244.

10. TRADE AND OTHER PAYABLES

The Company’s trade and other payables are broken down as follows:

	As at 31 July 2017	As at 30 April 2017 (Audited)
	\$	\$
Trade and other payables	39,810	51,092
Total trade and other payables	39,810	51,092

As at 31 July 2017, trade and other payables include: \$19,548 (30 April 2017 - \$27,602) in the Argentinean subsidiary (insurance, Argentinean taxes, payroll taxes); and \$20,262 (30 April 2017 - \$23,490) due by the parent company in Canada (legal fees; year-end audit fees).

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11. SHARE CAPITAL

11.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value. At 31 July 2017, the Company had 94,548,491 common shares outstanding (30 April 2017–94,548,491).

11.2 Shares issuances

At 31 July 2017 the Company did not issue common shares. During the year ended 30 April 2017 the Company did not issue common shares.

During the year ended 30 April 2016 the Company issued common shares as follows:

On 2 April 2015, the Company announced it had made arrangements to settle \$12,000 in debt in outstanding fees owed to a Director of the Company. The shares were issued during the year ended April 30, 2016.

11.3 Stock options

On December 19, 2016, the Company adopted a formal Stock Option Plan (the “Option Plan”). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

The following is a summary of the changes in the Company’s stock options for the three month period ended 31 July 2017 and for the year ended 30 April 2017:

	31 July 2017		30 April 2017 (Audited)	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding, beginning of period	350,000	0.07	14,060,428	0.24
Granted	5,000,000	0.05	-	-
Expired	-	-	(13,710,428)	(0.24)
Outstanding, end of period	5,350,000	0.05	350,000	0.07

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On June 9 2017, the Company's has granted incentive stock options to directors and officers for the right to purchase up to an aggregate of 5,000,000 common shares.

There were no options granted during the year ended 30 April 2017. The Company uses the Black-Scholes Option Pricing Model to estimate the value of the options granted.

The following table summarizes information regarding stock options outstanding and exercisable as at 31 July 2017:

Grant date	Expiry date	Number of options outstanding	Number of options exercisable	Exercise price \$	Remaining contractual life (years)
21 August 2013	21 August 2018	350,000	350,000	0.07	1.06
09 June 2017	09 June 2022	5,000,000	5,000,000	0.05	4.86
Total Options		5,350,000	5,350,000		

11.4 Warrants

The following is a summary of the changes in the Company's warrants for the three month period ended 31 July 2016 and for the year ended 30 April 2016:

	31 July 2017		30 April 2017	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Outstanding, beginning of period	-	-	13,661,720	0.12
Expired	-	-	(13,661,720)	(0.12)
Outstanding, end of period	-	-	-	-

There no warrants issued during the three month period ended 31 July 2017 and year ended April 30, 2017. The Company uses the Black-Scholes Option Pricing Model to estimate the value of the options granted.

As at 31 July 2017, there were no outstanding warrants.

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12. SHARE-BASED PAYMENTS

Share-based payments for the options granted by the Company are amortized over their vesting period, of which \$70,430 was recognized in the three month period ended 31 July 2017 (31 July 2016 - \$Nil):.

Grant date	Fair value	Amount vested in 2017	Amount vested in 2016
	\$	\$	\$
09 June 2017	70,430	70,430	-
Total	70,430	70,430	-

13. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share is based on the following data:

	31 July 2017	31 July 2016
Net income (loss) for the year	\$(304,87)	\$(96,975)
Weighted average number of shares – basic and diluted	94,548,491	94,548,491
Earnings (loss) per share, basic and diluted	\$(0.003)	\$(0.001)

14. CAPITAL RISK MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital and (ii) obtain the best available net return.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition. To maintain or adjust the capital structure, the Company may attempt to issue new shares or issue new debt.

The Company is listed on the CNSX. The Company is not subject to externally imposed capital requirements. Management plans to continue to evaluate and explore commercial opportunities, with an emphasis on acquiring and developing oil and gas properties with particular focus in the near term, over energy concessions.

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15. FINANCIAL INSTRUMENTS

15.1 Categories of financial instruments

	31-Jul-17	30-Apr-16 (Audited)
FINANCIAL ASSETS	\$	\$
FVTPL, at fair value		
Cash and cash equivalents	230,749	482,229
Short-term investment	-	-
Loans and receivables		
Investment	-	-
Amounts receivable	329	1,560
Total financial assets	231,078	483,789
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade and other payables	39,810	51,092
Total financial liabilities	39,810	94,700

15.2 Fair Value

The fair value of the Company's accounts receivable, and trade and other payables, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. The fair value of the Company's investment, carried at amortized cannot be determined as there is no fixed terms of repayment. The Company's other financial instruments, cash and cash equivalents, and short-term investment, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.

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

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

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- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 July 2017, the Company does not have any Level 3 financial instruments.

As at 31 July 2017	Level 1	Total
	\$	\$
Financial assets at fair value		
Cash and cash equivalents	230,749	230,749
Short-term investments	-	-
Total financial assets at fair value	230,749	230,749

As at 30 April 2017	Level 1	Total
	\$	\$
Financial assets at fair value		
Cash and cash equivalents	482,229	482,229
Short-term investments	0	0
Total financial assets at fair value	482,229	482,229

There were no transfers between Level 1 and 2 during the three month period ended 31 July 2017.

15.3 Management of financial risks

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

Credit risk

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

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insignificant. Credit risk is also attributable to amounts accrued in amounts receivable due from the operator of the investment. Credit risk is considered low as the amounts were collected in full after the end of period.

Liquidity risk

The Company is reliant primarily upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents and short-term investments to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents and short-term investments to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 July 2017, the Company had a working capital of \$202,704.

Other risks

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

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, short-term investments, amounts receivable, and trade and other payables that are denominated in US dollars and Argentinean Pesos. 10% fluctuations in the US dollar and Argentinean Pesos against the Canadian dollar would give rise to a \$20,000 change in comprehensive income.

16. RELATED PARTY TRANSACTIONS

16.1 Shares to be issued

The liabilities of the Company include the following amounts due to related parties:

	31 July 2017	30 April 2017 (Audited)
	\$	\$
CEO (shares to be issued)	29,200	29,200
Total amount (shares to be issued)	29,200	29,200

As at 31 July 2017, related parties include a bonus payable to compensate the Chief Executive Officer payable in 730,000 common shares at a price of \$0.04 per share. Issuance pending since 2015.

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The amounts due to related parties are non-interest bearing, unsecured and due on demand.

16.2 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

Three month period ended 31 July	2017	2016
	\$	\$
Short-term benefits – Management fees	106,691	29,843
Short-term benefits – Director fees	-	1,500
Total key management personnel compensation	106,691	31,343

17. SUPPLEMENTAL CASH FLOW INFORMATION

As at July 31, 2017, \$Nil (31 July 2016 - \$79,614) was accrued in amounts receivable related to the investment.

During the three month period ended 31 July 2017 and 2016, the Company made \$Nil cash payments for interest.

18. SUBSEQUENT EVENTS

On August 9th, 2017, the Company announced it had entered into an agreement to purchase a controlling interest in Energia Compañía Petrolera Sociedad Anónima ("ECP"), an upstream oil and gas Argentinean Operator in Neuquén Basin which is Argentina's main hydrocarbon basin. The acquisition was completed as a non-cash transaction wherein Jagercor -through its subsidiary in Argentina, Jager Energia Argentina SA ("JEA")- acquired 95% interest in ECP. As consideration for the acquisition, JEA issued to ECP's main shareholder new shares equal to a 40% equity interest in JEA. The approval of this transaction and the decision to increase JEA's capital stock was adopted by means of an extraordinary Shareholders Meeting on August 22nd, 2017.

On September 1st 2017, Mr. Pablo Gaston Carabajal was appointed as Director of the Company.