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MONDIAL VENTURES, INC.

FORM 10-Q
(Quarterly Report)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2014

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from _____ to_____

Commission File No. 000-51033

MONDIAL VENTURES, INC.

(Exact name of Registrant as specified in its charter)

Nevada	**27-4481914**
(State or Other Jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

6564 Smoke Tree Lane
Scottsdale, Arizona 85253
(Address of Principal Executive Offices)

(480) 948-6581
(Registrant's Telephone Number)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.:

Large Accelerated Filer ☐ Accelerated Filer ☐

Non-Accelerated Filer ☐ Smaller Reporting Company ☒

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of June 8, 2015 the registrant had 1,976,025,753 shares of its $0.001 par value common stock issued and outstanding. There are 100,000 shares of Series C preferred stock issued and outstanding, $0.001 par value for each of the Series of Preferred.

MONDIAL VENTURES, INC.

10-Q

September 30, 2015

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MONDIAL VENTURES, INC .
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2014 AND DECEMBER 31, 2013

	September 30, 2014	December 31, 2013
Assets	(Unaudited)	
Current assets:		
Cash	4,125	3,508
Deposit in transit	-	-
Accounts receivable	$ 587	$ -
Total current assets	4,712	3,508
Other Assets:		
Fixed assets – net	22,215	25,363
Proved oil and natural gas properties – net	1,071,840	800,341
Deferred Financing Costs	2,835	15,324
Total other assets	1,096,890	841,028
Total assets	$ 1,101,602	$ 844,536
Liabilities and shareholders' deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 469,503	$ 219,528
Accounts payable and accrued expenses – related parties	137,982	15,958
Loans and notes payable	659,096	366,284
Loans and notes payable – in default	414,618	310,902
Advances and notes – related parties	21,851	1,232
Convertible loans payable, net of discount of $99,458 and $137,742, respectively	287,149	199,446
Convertible loans payable – related parties, net of discount of $50,137 and $6,590, respectively	39,863	8,410
Convertible loan payable, net – in default	179,328	25,000
Derivative liabilities	1,127,499	220,131
Total current liabilities	3,336,889	1,366,891
Long-term liabilities:		
Asset retirement obligation	8,259	5,781
Total long-term liabilities	8,259	5,781
Total Liabilities	3,345,148	1,372,672
Stockholders' equity (deficit)		
Preferred stock, $0.001 par value; 10,000,000 shares authorized, 100,000 shares issued and outstanding as of March 31, 2014 and nil at December 31, 2013	100	-
Common stock, $0.001 par value; 4,990,000,000 shares authorized, 1,665,857,182 shares and 334,738 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	1,665,857	335
Additional paid–in capital	6,652,810	4,881,543
Capital stock subscribed	106,759	4,000
Non-controlling interest in subsidiaries	151,638	-
Accumulated other comprehensive income	5,723	-
Accumulated deficit	(10,826,433)	(5,414,014)
Total shareholders' equity (deficit)	(2,243,546)	(528,136)
Total liabilities and stockholders' equity (deficit)	$ 1,101,602	$ 844,536

The accompanying notes are an integral part of these statements.

MONDIAL VENTURES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013
(UNAUDITED)

	For the nine months ended September 30,		For the three months ended September 30,	
	2014	2013	2014	2013
Revenues:				
Gross revenues from oil and gas sales	$ 98,995	$ 103,544	$ 38,968	$ 41,654
Well operating costs	(83,007)	(224,169)	(32,569)	(73,815)
Gross margin	**15,988**	**(120,625)**	**6,399**	**(32,161)**
General and administrative expenses:				
General and administration	3,152,543	637,465	120,149	155,362
Total general and administration expenses	3,152,543	637,465	120,149	155,362
Net loss from operations	**(3,136,555)**	**(758,090)**	**(113,750)**	**(187,523)**
Other (income) and expenses:				
Interest expense	(800,523)	(528,982)	(300,349)	(297,415)
Miscellaneous expense	(880)	-	-	-
Gain/loss on derivatives	(838,187)	(356,910)	(265,972)	(84,876)
Gain/loss on legal settlement	(84,500)	-	-	-
Gain/loss on transfer of assets	(165,232)	-	-	-
Gain/loss on settlement of debt	(473,100)	(546,386)	(63,400)	(73,438)
Net loss before provision for income taxes	**(5,498,977)**	**(2,190,368)**	**(211,527)**	**(643,252)**
Provision for income taxes	-	-	-	-
Net (loss) before non-controlling interests	**$ (5,498,977)**	**$ (2,190,368)**	**$ (211,527)**	**$ (643,252)**
Less: net (loss) attributable to non-controlling interest	(86,558)	-	(28,830)	-
Net (loss)	**$ (5,412,419)**	**$ (2,190,368)**	**$ (182,697)**	**$ (643,252)**
Other comprehensive income (loss)				
Unrealized foreign currency translation (loss)	5,723	-	14,538	-
Less: other comprehensive income(loss) attributable to non-controlling interest	(14,108)	-	(9,641)	-
Net comprehensive (loss)	**$ (5,420,804)**	**$ (2,190,368)**	**$ (177,800)**	**$ (643,252)**
Net loss per common share – basic and diluted	$ (0.02)	$ (0.03)	$ (0.00)	$ (0.01)
Weighted average common shares outstanding – basic and diluted	278,741,466	83,759,984	790,151,987	128,436,920

The accompanying notes are an integral part of these statements.

MONDIAL VENTURES, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013
(UNAUDITED)

	For the nine months ended September 30,	
	2014	2013
Operating activities		
Net loss	$ (5,412,419)	$ (2,190,368)
Net loss attributable to non-controlling interests	(86,558)	-
Adjustments to reconcile net loss to net cash used in operating activities:		
Common shares issued for services	2,037,413	216,500
Preferred shares issued for services	22,000	-
Accretion of asset retirement obligation	2,478	321
Adjustment to asset retirement obligation	(2,025)	-
Depreciation	11,332	8,274
Promissory notes issued for services	75,000	-
Bad debt expense	550,000	-
Depletion	5,086	126,163
Amortization of debt discount	506,987	370,521
Loss on debt conversion and settlement	473,100	546,387
Amortization of deferred financing costs	18,830	9,581
Change in fair value of derivative liability	838,187	356,910
Imputed interest	20,628	2,223
Loss on stock issued for legal settlement	34,500	-
Loss on transfer of assets	165,233	-
Changes in other operating assets and liabilities:		
Account receivables	(587)	-
Accounts payable and accrued expenses	350,508	151,371
Accounts payable and accrued expenses related parties	122,024	(16,692)
Net cash provided by (used in) operating activities	(268,283)	(419,079)
Investing activities		
Cash received from transfer of non-controlling interest	141,470	-
Net cash provided by investing activities	141,470	-
Financing activities :		
Deferred financing costs	(6,500)	(19,550)
Borrowings on debt	-	98,550
Borrowings on debt – related parties	20,619	-
Borrowings on convertible debt	79,369	333,780
Borrowings on non-convertible debt	67,000	-
Payment on debt	(24,673)	(12,000)
Net cash provided by financing activities	135,815	400,780
Effect of exchange rate	(8,385)	-
Net increase (decrease) in cash during the period	617	(18,299)
Cash balance at beginning of period	3,508	23,518
Cash balance at end of period	$ 4,125	$ 5,219
Supplemental disclosures of cash flow information:		
Interest paid during the year	-	-
Non-cash activities:		
Conversion of debt rescinded during the period	$ 12,500	$ -
Debt discount due to embedded derivative	486,942	452,541
Debt discount due to beneficial conversion feature	-	92,500
Shares issued for debt conversion and settlement	200,745	608,706
Shares subscribed for settlement of debt	102,759	-
Adjustment to derivative liabilities due to debt conversion	421,672	377,988
Effect of share exchange	(54,290)	-
Increase in additional paid in capital due to acquisition of oil and gas interests from EGPI	282,744	-
Debt assumed from EGPI for oil and gas properties interest	550,000	-

The accompanying notes are an integral part of these statements.

MONDIAL VENTURES, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND THE YEAR ENDED DECEMBER 31,2013
(UNAUDITED)

	Series C Preferred Stock Shares	Par Value	Common Stock Shares	Par Value	Additional Paid-in Capital	Stock Payable	Deficit	Accumulated Other Comprehensive Income (loss)	Non-Controlling Interest	Total Stockholders' Equity (Deficit)
Balance December 31, 2012	-	$ -	39,333	$ 39	$2,949,471	$ -	$ (2,960,446)	$ -	$ -	$ (10,936)
Common stock issued for debt conversion and settlement	-	-	293,738	294	1,211,812	-	-		-	1,212,105
Common shares issued for services			1,667	2	186,565	4,000	-	-	-	190,567
Debt discount	-	-	-	-	92,500	-	-	-	-	92,500
Adjustment to derivative due to debt conversion	-	-	-	-	421,206	-	-			421,206
Imputed interest	-	-	-	-	19,989	-	-			19,989
Net loss for the year ended December 31, 2013	-	-	-	-	-	-	(2,453,568)	-	-	(2,453,568)
Balance at December 31, 2013	-	-	334,738	$ 335	$4,881,543	$ 4,000	$ (5,414,014)	-	-	$ (528,136)
Common stock issued for debt conversion and settlement	-	-	1,654,728,671	1,654,728	(980,703)	102,759	-	-	-	776,784
Common stock issued for services	-	-	10,425,000	10,425	2,026,988	-	-	-	-	2,037,413
Common stock issued for legal settlement	-	-	375,000	375	34,125	-	-	-	-	34,500
Common stock cancelled	-	-	(6,735)	(7)	(12,493)	-	-	-	-	(12,500)
Fractional shares issued for stock split	-	-	508	1	(1)	-	-	-	-	-
Preferred stock issued for services	100,000	100	-	-	21,900	-	-	-	-	22,000
Adjustment to derivative due to debt conversion	-	-	-	-	421,672	-	-	-	-	421,672
Imputed interest	-	-	-	-	20,628	-	-	-	-	20,628
Effect of										

amalgamation and share exchange	-	-	-	-	(43,592)	-	-	-	252,304	208,712
Acquisition of oil and gas interests	-	-	-	-	282,743	-	-	-	-	- 282,743
Foreign currency translation adjustment	-	-	-	-	-	-	-	5,723	(14.108)	(8,385)
Net loss for the six months ended September 30, 2014	-	-	-	-	-	-	(5,412,419)	-	(86,558)	(5,498,977)
Balance at September 30, 2014	100,000	$ 100	1,665,857,182	$1,665,857	$6,652,810	$106,759	$(10,826,433)	$ 5,723	$ 151,638	$ (2,243,546)

The accompanying notes are an integral part of these statements.

Mondial Ventures, Inc
Notes to the Unaudited Consolidated Financial Statements
For the nine months ended September, 2014 and September 30, 2013

1. Organization of the Company and Significant Accounting Principals

The Company was incorporated in the state of Nevada May 29, 2002 as Mondial Ventures, Inc.

In December 2003, the Company owned a 100% interest, subject to a 2% net smelter returns royalty, in four mineral claims located in the Namaimo Mining Division of British Columbia.

Effective December 1, 2010, the Company increased its authorized common shares to 250,000,000 with a par value of $0.001, and authorized shares of blank check preferred stock, par value $0.001 per share.

On December 15, 2010 the claims related to the 100% interest owned in the British Columbia mineral claims expired.

On December 30, 2010, the Company completed a merger with Legacy Athletic Apparel, LLC, a Virginia limited liability company (Legacy) in a Merger Agreement dated December 14, 2010, by and between the Company and Legacy. Pursuant to the Plan of Merger, Legacy merged into the Company, with the Company being the surviving entity ("the Merger"). The transaction was accounted for using the purchase method of accounting.

On July 31, 2012, the Company purchased oil and gas assets and interests in the J.B. Tubb Leasehold Estate from EGPI Firecreek, Inc. The Company issued 14,000,000 shares of common stock to EGPI Firecreek, Inc. and the assumption of debt for 37.5% working interest and corresponding 28.125% net revenue interest in the oil and gas interests and pro rata oil and gas revenue and reserves in the North 40 plus additional right agreement for the South 40 of the J.B. Tubb Leasehold Estate, and for all depths below the surface to 8,500 ft. Also included are all related assets, fixtures, equipment, three well heads and three well bores.

On October 30, 2012 the Company entered into a Definitive Short Form Agreement with EGPI Firecreek, Inc. for development of 240 acre leases, reserves, three wells and equipment located in Callahan, Steven and Shackelford Counties, West Central Texas, which includes but is not limited to continuing negotiations to buy out 50% partner interests, due diligence, evaluation and preparation including an initial 3-D Seismic study reserve studies and roll over leases if necessary. The agreement is non-binding and the parties intend to finalize the agreement by executing a Definitive Long Form Agreement in the future. The parties had until November 6, 2012 to finalize this agreement but did not do so by that date. Both parties are still interested in pursuing this transaction in the future.

Effective August 21, 2013, the Company increased its authorized common shares to 490,000,000 with a par value of $0.001, and with its current 10,000,000 authorized shares of blank check preferred stock, par value $0.001 per share.

Effective October 2, 2013, the Company increased its authorized common shares to 1,490,000,000 with a par value of $0.001, and with its current 10,000,000 authorized shares of blank check preferred stock, par value $0.001 per share.

Effective on January 31, 2014, the Company effected a one (1) for fifteen hundred (1,500) reverse stock split whereby, as of the record date, for every fifteen hundred shares of common stock then owned, each shareholder received one share of common stock. All share amounts throughout this report have been retroactively adjusted for all periods to reflect this stock-split.

On January 27, 2014, the Company executed an Omnibus Agreement with EGPI, TWL Investments aLLC ("TWL"), and Thomas J. Richards ("TJR") whereby EGPI delivered an Assignment and Bill of Sale (the "Assignment and Bill of Sale Agreement") for transfer of i) an additional 12.5% Working Interest and corresponding 9.375% Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves for all depths below the surface to at least 8500 ft. ii) 12.5% Working Interest and 9.375% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft in well bore and 3800 ft. to 4000 ft in well bore, and iii) interest in the Participation Agreement (Turnkey Drilling, Re Entry, and Multiple Wells) granting certain rights in and to interests for additional development in the J.B. Tubb Leasehold Estate. In consideration for the additional working interest, the Company assumed $550,000 debt from EGPI. The Assignment and Bill of Sale was retroactively effective on January 1, 2014.

Effective on January 1, 2014, the Company delivered an Assignment and Bill of Sale agreement to Shale Corp. for transfer of its entire 50% of working interest and corresponding 37.50% net revenue interest in the North 40 acres of the J.B. Tubb Leasehold Estate. In consideration, the Company received cash payment, liabilities to be assumed by Shale corp., and 47 million of Shale Corp's common stock. Based on the 47 million common stock ownership, the Company became 67.14% owner of Shale Corp.

On March 25, 2014, Boomerang Oil, Inc. (formerly 0922327 B.C. Ltd.) entered into acquisition agreement with Shale Corp to acquire all issued and outstanding Shale Corp shares. Pursuant to the acquisition agreement, Boomerang issued 70,000,000 of its common stock to acquire all of Shale Corp's issued and outstanding shares on a 1 to 1 basis. Subsequent to the share exchange, Shale Corp became Boomerang's wholly owned subsidiary. Immediately after the share exchange, Shale Corp amalgamated with Boomerang's wholly owned subsidiary 2301840 Ontario, Inc. to form a new subsidiary subsequently named as 1913564 Ontario, Inc. As a result of the share exchange, the Company, which owned 47

million of Shale Corp immediately prior to the share exchanges, became 66.17% owner of the consolidated entity of Boomerang Oil, Inc. and 1913564 Ontario, Inc.

Effective August 19, 2015, the Company increased its authorized common shares to 4,990,000,000 with a par value of $0.001, and with its current 10,000,000 authorized shares of blank check preferred stock, par value $0.001 per share.

Use of Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the consolidated financial statements and for the period they include. Actual results may differ from these estimates.

Revenue and Cost Recognition
Oil and Gas: Revenue is recognized from oil and gas sales in the period of delivery. Settlement on sales occurs anywhere from two weeks to two months after the delivery date. The Company recognizes revenue when an arrangement exists, the product has been delivered, the sales price has been fixed or determinable, and collectability is reasonably assured.

Cash Equivalents
The Company considers all highly liquid investments with the original maturities of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2014 or December 31, 2013. The Company had cash balance of $4,125 and $3,508 as of September 30, 2014 and December 31, 2013, respectively.

Oil and Gas Activities
The Company uses the successful efforts method of accounting for oil and gas producing activities. Under this method, acquisition costs for proved and unproved properties are capitalized when incurred. Exploration costs, including geological and geophysical costs, the costs of carrying and retaining unproved properties and exploratory dry hole drilling costs are expensed. Development costs, including the costs to drill and equip developmental wells, and successful exploratory drilling costs to locate proved reserves are capitalized.

Exploratory drilling costs are capitalized when incurred pending the determination of whether a well has found proved reserves. A determination of whether a well has found proved reserves is made shortly after drilling is completed. The determination is based on a process which relies on interpretations of available geologic, geophysics, and engineering data. If a well is determined to be unsuccessful, the capitalized drilling costs will be charged to expense in the period the determination is made. If an exploratory well requires a major capital expenditure before production can begin, the cost of drilling the exploratory well will continue to be carried as an asset pending determination of whether proved reserves have been found only as long as: i) the well has found a sufficient quantity of reserves to justify its completion as a producing well if the required capital expenditure is made, and: ii) drilling of the additional exploratory well is under way or firmly planned for the near future. If drilling in the area is not under way or firmly planned, or if the well has not found a commercially producible quantity of reserves, the exploratory well is assumed to be impaired, and its costs are charged to expense.

In the absence of a determination as to whether the reserves that have been found can be classified as proved, the cost of drilling such an exploratory well is not carried as an asset for more than one year following completion of drilling. If after that year is passed, a determination that proved reserves exist cannot be made, the well is assumed impaired and its costs are charged to expense. Its costs can, however, continue to be capitalized if a sufficient quantity of reserves is discovered in the well to justify its completion as a producing well and sufficient progress is made in assessing the reserves and the well's economic and operating feasibility.

The impairment of unamortized capital costs is measured at a lease level and is reduced to fair value if it is determined that the sum of expected future net cash flows is less than the net book value. The Company determines if impairment has occurred through either adverse changes or as a result of the annual review of all fields. During 2013 after conducting an impairment analysis, the Company recorded an impairment of $84,778.

Asset Retirement Obligations
("ARO"- The estimated costs of restoration and removal of facilities are accrued. The fair value of a liability for an asset's retirement obligation is recorded in the period in which it is incurred and the corresponding cost capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its then present value each period, and the capitalized cost is depreciated with the related long-lived asset. If the liability is settled for an amount other than the recorded amount, a gain or loss is recognized. For all periods presented, estimated future costs of abandonment and dismantlement are included in the full cost amortization base and are amortized as a component of depletion expense. At September 30, 2014 and December 31, 2013, the ARO of $8,259 and $5,781 is included in liabilities and fixed assets.

Development costs of proved oil and gas properties, including estimated dismantlement, restoration and abandonment costs and acquisition costs, are depreciated and depleted on a field basis by the units-of-production method using proved developed and proved reserves, respectively. The costs of unproved oil and gas properties are generally combined and impaired over a period that is based on the average holding period for such properties and the Company's experience of successful drilling.

Costs of retired, sold or abandoned properties that make up a part of an amortization base (partial field) are charged to accumulated depreciation, depletion and amortization if the units-of-production rate is not significantly affected. Accordingly, a gain or loss, if any, is recognized only when a group of proved properties (entire field) that make up the amortization base has been retired, abandoned or sold.

Stock-Based Compensation
The Company estimates the fair value of share-based payment awards made to employees and directors, including stock options, restricted stock and employee stock purchases related to employee stock purchase plans, on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense ratably over the requisite service periods. We estimate the fair value of each share-based award using the Black-Sholes option pricing model. The Black-Sholes model is highly complex and dependent on key estimates by management. The estimates with the greatest degree of subjective judgment are the estimated lives of the stock-based awards and the estimated volatility of our stock price. The Black-Sholes model is also used for our valuation of warrants.

Earnings per Common Share
Basic earnings per common share are calculated based upon the weighted average number of common shares outstanding for the period. Diluted earnings per common share is computed by dividing net income by the weighted average number of common shares and dilutive common share equivalents (convertible notes and interest on the notes, stock awards and stock options) outstanding during the period. Dilutive earnings per common share reflect the potential dilution that could occur if options to purchase common stock were exercised for shares of common stock. Basic and diluted EPS are the same as the effect of our potential common stock equivalents would be anti-dilutive.

Fair Value Measurements
On January 1, 2008, the Company adopted guidance which defines fair value, establishes a framework for using fair value to measure financial assets and liabilities on a recurring basis, and expands disclosures about fair value measurements. Beginning on January 1, 2009, the Company also applied the guidance to non-financial assets and liabilities measured at fair value on a non-recurring basis, which includes goodwill and intangible assets. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 – Valuation is based upon unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 –Valuation is based upon quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable in the market.

Level 3 – Valuation is based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own assumptions about the inputs that market participants would use.

The following table presents assets and liabilities that are measured and recognized at fair value as of September 30, 2014 and December 31, 2013 on a recurring and non-recurring basis:

Description	Level 1	Level 2	Level 3	Total Gains (Losses)
Derivative liabilities (recurring)	$ -	$ -	$ 1,127,499	$ 1,127,499

The following table presents assets and liabilities that are measured and recognized at fair value as of December 31, 2013 on a recurring and non-recurring basis:

Description	Level 1	Level 2	Level 3	Total Gains (Losses)
Derivative liabilities (recurring)	$ -	$ -	$ 220,131	$ 220,131

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and long-term debt. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. The carrying value of long-term debt also approximates fair value since their terms are similar to those in the lending market for comparable loans with comparable risks. None of these instruments are held for trading purposes.

Fixed Assets
Fixed assets are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset. The following is a summary of the estimated useful lives used in computing depreciation expense:

Well equipment	5 years

Expenditures for major repairs and renewals that extend the useful life of the asset are capitalized. Minor repair expenditures are charged to expense as incurred.

Impairment of Long-Lived Assets
The Company has adopted Accounting Standards Codification subtopic 360-10, Property, Plant and Equipment ("ASC 360-10"). ASC 360-10 requires that long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company evaluates its long-lived assets for impairment annually or more often if events and circumstances warrant. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires that those assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Goodwill and Other Intangible Assets
The Company periodically reviews the carrying value of intangible assets not subject to amortization, including goodwill, to determine whether impairment may exist. Goodwill and certain intangible assets are assessed annually, or when certain triggering events occur, for impairment using fair value measurement techniques. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale or disposition of a significant portion of the business, or other factors. Specifically, goodwill impairment is determined using a two-step process. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. The Company uses level 3 inputs and a discounted cash flow methodology to estimate the fair value of a reporting unit. A discounted cash flow analysis requires one to make various judgmental assumptions including assumptions about future cash flows, growth rates, and discount rates. The assumptions about future cash flows and growth rates are based on the Company's budget and long-term plans. Discount rate assumptions are based on an assessment of the risk inherent in the respective reporting units. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit.

As of September 30, 2014 the Company had no amortizable intangible assets.

Income taxes
The Company accounts for income taxes using the asset and liability method, which requires the establishment of deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided to the extent deferred tax assets may not be recoverable after consideration of the future reversal of deferred tax liabilities, tax planning strategies, and projected future taxable income.

The Company uses a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The guidance requires the Company to recognize tax benefits only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in our tax returns that do not meet these recognition and measurement standards.

Foreign Currency Translation
The functional currency of the Company's majority owned subsidiary is the Canadian dollar and these financial statements have been translated into U.S. dollars in accordance with standards issued by the FASB. The Canadian dollar based accounts of the Company's foreign operations have been translated into United States dollars using the current rate method. Assets and liabilities of those operations are translated into U.S. dollars using exchange rates as of the balance sheet date; income and expenses are translated using the weighted average exchange rates for the reporting period. Translation adjustments are recorded as accumulated other comprehensive income (loss), a separate component of shareholders' equity.

Recent accounting pronouncements

On November 2014, The Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2014-17—Business Combinations (Topic 805): Pushdown Accounting (a consensus of the FASB Emerging Issues Task Force). The amendments in this Update provide an acquired entity with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. The amendments in this Update are effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event. However, if the financial statements for the period in which the most recent change-in-control event occurred already have been issued or made available to be issued, the application of this guidance would be a change in accounting principle.

On August 2014, The Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2014-15, Presentation of Financial Statements – Going Concerns (Subtopic 205-40): Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted.

In June 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-10, "Development Stage Entities". The amendments in this update remove the definition of a development stage entity from the Master Glossary of the ASC thereby removing the financial reporting distinction between development stage entities and other reporting entities from U.S. GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments in this update are applied retrospectively. The adoption of ASU 2014-10 removed the development stage entity financial reporting requirements from the Company.

In June 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-12, Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The new guidance requires that share-based compensation that require a specific performance target to be achieved in order for employees to become eligible to vest in the awards and that could be achieved after an employee completes the requisite service period be treated asa performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation costs should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation costattributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. This new guidance is effective for fiscal years and interim periods with in those years beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The adoption of ASU 2014-12 is not expected to have a material impact on our financial position or results of operations.

In June 2014, the FASB issued ASU No. 2014-10: Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation , to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements of development stage entities. The amendments in this update remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments in this Update also eliminate an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. The amendments to eliminate that exception simplify U.S. GAAP by reducing avoidable complexity in existing accounting literature and improve the relevance of information provided to financial statement users by requiring the application of the same consolidation guidance by all reporting entities. The elimination of the exception may change the consolidation analysis, consolidation decision, and disclosure requirements for a reporting entity that has an interest in an entity in the development stage. The amendments related to the elimination of inception-to-date information and the other remaining disclosure requirements of Topic 915 should be applied retrospectively except for the clarification to Topic 275, which shall be applied prospectively. For public companies, those amendments are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. Early adoption is permitted. The adoption of ASU 2014-10 is not expected to have a material impact on our financial position or results of operations.

2. Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying consolidated financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company has experienced substantial losses, maintains a negative working capital and capital deficits, which raise substantial doubt about the Company's ability to continue as a going concern.

The Company is working to manage its current liabilities while it continues to make changes in operations to improve its cash flow and liquidity position. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon the Company's ability to generate revenue from the sale of its services and the cooperation of the Company's note holders to assist with obtaining working capital to meet operating costs in addition to our ability to raise funds.

3. Common Stock Transactions

During the nine months ended September 30, 2014, the Company issued 10,425,000 shares of common stock for services that were expensed and valued at $2,037,413 based upon the closing price of the common stock at the date of grant and reflecting the 1:1,500 reverse stock split.

During the nine months ended September 30, 2014, the Company issued 1,654,728,671 shares of common stock valued at $776,784 for conversion or settlement of debt in the amount of $303,504, resulting in a loss on debt settlement of $473,100. A portion of these shares, $102,759, remains unissued as of September 30, 2014. All shares issued were valued based upon the closing price of the Company's common stock at the date of the debt settled. For all debts that were converted within the terms of the related promissory notes, no gain or loss was recorded. Any debts converted outside of the terms resulted in a gain or loss based on the fair value of the stock on the date of conversion.

During the nine months ended September 30, 2014, the Company issued 375,000 as settlement fee for legal settlement with third party. The common stock issued was valued on settlement date at $34,500. The Company recorded a corresponding loss on the settlement.

During the nine months ended September 30, 2014, the Company and one of its debt holders agree to rescind a conversion of convertible debt executed during fiscal year 2013. Common stock of 6,667 was rescinded and debt in the amount of $12,500 was reinstated as of March 31, 2014. An additional 68 shares were cancelled by a shareholder due to the fact that they were issued in error.

During the nine months ended September 30, 2014, the Company issued 508 fractional shares in relation to the reverse stock split effective on January 31, 2014. These fractional shares have no value.

4. Preferred Stock Transactions

Series C preferred stock: The Preferred C stock has a par value of $0.001 and no stated dividend rate and is non-participatory. The Series C (i) has voting rights for each share of Series C Preferred Stock shall have 31,500 votes on the election of directors of the Company and for all other purposes, and (ii) has no right to convert to common shares of the Company.

During the nine months ended September 30, 2014, the Company issued 100,000 Series C preferred stock for services rendered. The value assigned to this issuance is $22,000 based on an estimate of the fair market value on the issuance date. The holders of Series C preferred stock represent a controlling voting interest in the Company. As a result, a determination of the control premium was determined to estimate the value of the shares. The control premium is based on publicly traded companies or comparable entities which have been recently acquired in arm's length transactions. The Company performed the valuation with the assistance of a valuations expert.

5. Fixed Assets

The following is a detailed list of fixed assets:

	September 30, 2014	December 31, 2013
Well equipment	75,551	56,663
Accumulated depreciation	(53,336)	(31,300)
Fixed assets – net	$ 22,215	25,363

Depreciation expense was $11,332 and $8,274 for the nine months ended September 30, 2014 and 2013, respectively.

6. Oil and Gas

	For the Period Ended September 30, 2014	For the Year Ended December 31, 2013
Purchase of oil and gas properties through assumption of debt, net of accumulated depletion	$ 276,585	$ -
Total purchase of oil and gas properties	$ 276,585	$ -

Oil and Gas Properties:	September 30, 2014	December 31, 2014
Oil and gas properties – proved reserves	$ 1,248,784	$ 958,157
Accumulated depletion	(176,944)	(157,665)
Oil and gas properties – net	$ 1,071,840	$ 800,341

Depletion expense was $5,086 and $126,163 for the nine months ended September 30, 2014 and 2013, respectively.

7. Acquisition of interest in oil and gas property-related party

- **Acquisition of 50% Oil and Gas Working Interests in the J.B. Tubb Leasehold Estate/Amoco Crawar Field, Ward County, Texas**

On July 31, 2012 the Company, acquired assets of Energy Producers, Inc., a wholly owned subsidiary of EGPI Firecreek, Inc., ("EPI") as described in the preliminary Assignment and Bill of Sale and summarily as follows: Under the terms of the agreement, which shall be effective July 31, 2012, the Company acquired a 37.5% Working Interest and 28.125% corresponding Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves for all depths below the surface to 8500 ft. The field is located in the Permian Basin and the Crawar Field in Ward County, Texas (12 miles west of Monahans & 30 miles west of Odessa in West Texas). Included in the transaction, the Company will also acquire 37.5% Working Interest and 28.125% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft. As consideration for the transaction the Company agreed to authorize, issue and sell to EGPI Firecreek, Inc. 14,000,000 shares of common stock, and assumption of $450,000 in related debt.

On January 27, 2014, the Company executed an Omnibus Agreement with EGPI, TWL Investments aLLC ("TWL"), and Thomas J. Richards ("TJR") whereby EGPI delivered an Assignment and Bill of Sale (the "Assignment and Bill of Sale Agreement") for transfer of i) an additional 12.5% Working Interest and corresponding 9.375% Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves for all depths below the surface to at least 8500 ft. ii) 12.5% Working Interest and 9.375% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft in well bore and 3800 ft. to 4000 ft in well bore, and iii) interest in the Participation Agreement (Turnkey Drilling, Re Entry, and Multiple Wells) granting certain rights in and to interests for additional development in the J.B. Tubb Leasehold Estate. In consideration for the additional working interest, the Company assumed $550,000 debt from EGPI. As the net carrying value of the additional working interest was greater than debt assumed, the Company recorded an increase in additional paid in capital of $282,743 on the acquisition. The Assignment and Bill of Sale was retroactively effective on January 1, 2014.

The acquired leases and the property to which they relate are identified below:

North 40 acres: J.B. TUBB "18-1", being the W1/2 of the NW1/4 of Section 18, Block B-20, Public School Lands, Ward County, Texas, containing Forty (North 40) acres only (also listed as Exhibit "A" to Exhibit 10.1 in our Current Report on Form 8-K filed on March 7, 2011, incorporated herein by reference.

Well-bore located on South 40 acres: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

The following wells are located on the leases identified, above:

1. Crawar #1

2. Tubb #18-1

3. Highland Production Company(Crawar) #2 well-bore only, with depth of ownership 4700' to 4900'ft. in well bore, described as: The Highland Production Company (Crawar) #2 well-bore, API No. 42-475-33611, located on the J.B. Tubb Lease in W ½ of the NW ¼ of Sec. 18, Block B-20, Public School Lands, Ward County, Texas at 1787 FNL and 853 FWL being on the South Forty (40) acres of the J. B. Tubb Lease, Ward County, Texas.

Listing for the Equipment items related to the wells on the leases on the J.B. Tubb Leasehold Estate (RRC #33611) Amoco/ Crawar field are as follows:

The following is the current & present equipment list that Mondial Ventures, Inc. will acquire *50%* ownership rights, on the J.B. Tubb property: 2 (Two) 500 barrels metal tanks, 1(One) 500 barrel cement salt water tank- (open top), 1 (One) heater treater/oil & gas separator, all flow lines, on the north forty acres, well-heads, 2 (two) Christmas tree valve systems on well-heads, 3 (Three) well heads, three wells (well-bores). Model 320D Pumpjack Serial No. E98371M/456604, One (1) Fiberglass lined heater-treater, One (1) Test pot, Tubing string Rods and down hole pump.

Due to the fact that EGPI Firecreek, Inc. and Mondial Ventures, Inc. are considered related parties, the acquired assets were recorded at historical cost in the financial statements with no step up in basis. On July 31, 2012, the total gross cost of oil and gas properties recorded on the date of the acquisition was $1,109,572, as well as an accumulated depletion of $98,230, and the gross cost of $56,663 with an accumulated depreciation of $16,055. The consideration given consisted of 14,000,000 shares of common stock valued at $595,684 and assumed debt of $450,000. On January 1, 2014, the total gross cost of the additional 12.5% working interest of oil and gas properties was $290,778 with an accumulated depletion of $14,193, and the gross cost of additional fixed assets acquired discussed in Note 6, was $18,888 with an accumulated depreciation of $10,703. In consideration for the additional working interest, the Company assumed $550,000 debt from EGPI. As the net carrying value of the additional working interest was greater than debt assumed, the Company recorded an increase in additional paid in capital

of $282,743 on the acquisition.

8. Transfer of oil and gas properties interest

Effective on January 1, 2014, the Company delivered an Assignment and Bill of Sale agreement to Shale Corp. for transfer of its entire 50% of working interest and corresponding 37.50% net revenue interest in the North 40 acres of the J.B. Tubb Leasehold Estate, discussed in Note 7. In consideration, the Company received $42,703 cash payment, $400,000 outstanding debt to be assumed by Shale corp., and 47 million of Shale Corp's common stock, subject to terms of an Amalgamation Agreement dated March 25, 2014. Based on the 47 million common stock ownership, the Company became 67.14% owner of Shale Corp, and reported the net value of the oil and gas properties and fixed assets in the consolidated financial statements with non-controlling interest in the Shale Corp. At the time of the transaction, Shale Corp. consisted of only $141,470 in cash and had no operating activities. Non-controlling interest of $263,001 and loss of $165,233 were recorded for this transaction.

As of March 31, 2014, Shale Corp closed a “three cornered amalgamation” pursuant to an acquisition and amalgamation agreement (“Amalgamation Agreement”) dated March 25, 2014 among Boomerang Oil Inc. (formerly 0922327 B.C. Ltd.) (“Boomerang”), SCorp, and 2301840 Ontario Inc. (“Newco”), a wholly-owned subsidiary of Boomerang incorporated solely for the purpose of completing the Amalgamation. Pursuant to the Amalgamation Agreement, SCorp amalgamated with Newco to form a combined entity (“Amalco”) and Boomerang issued 70,000,000 common shares in the capital of Boomerang to the holders of common shares in the capital of SCorp on the basis of one share of Boomerang for one share of SCorp held by the SCorp shareholders. Upon closing of the Amalgamation, including consolidated adjustments, the Company owns 66.08% of Boomerang.

Subsequent to completion and closing of the Amalgamation on April 8, 2014, the Company’s majority owned subsidiary Boomerang Oil, Inc. (formerly 0922327 B.C. Ltd.) reported and announced that it had completed the three cornered amalgamation (the Amalgamation”) and that it had, pursuant to the acquisition and amalgamation agreement (“Amalgamation Agreement”) dated March 25, 2014 among the Company, Shale Corp. (“Shale”), and 2301840 Ontario Inc. (“Newco”), a wholly owned subsidiary of Boomerang Oil, Inc., incorporated solely for the purpose of completing the Amalgamation. Pursuant to the Amalgamation Agreement, Shale amalgamated with Newco to form a combined entity (“Amalco”) and the Boomerang issued 70,000,000 common shares in the capital of the Company to the holders of common shares in the capital of Shale on the basis of one share of the Company for one share of Shale held by the Shale shareholders. Upon completion of the Amalgamation, Amalco became a wholly owned subsidiary of Boomerang Oil, Inc. In connection with the Amalgamation, 0922327 B.C. Ltd. changed its name to “Boomerang Oil, Inc.” to reflect the new business. Boomerang adopted the business of Shale, which includes the exploration, acquisition and operation of oil and gas assets principally within the United States of America. Shale is currently operating within Texas and has a compliant NI 51-101 Reserve Estimate. The Company as above noted owns 47 million shares as a result of the Amalgamation Agreement resulting in 66.08% consolidated ownership in Boomerang Oil, Inc., and based on its 71,125,792 common shares of Boomerang Oil, Inc. issued and outstanding as of September 30, 2014 and through the filing date of this report. Effective April 2, 2014 Boomerang Oil, Inc., the Company’s majority owned subsidiary, commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol “BOI”. Further, effective on June 11, 2014 Boomerang Oil, Inc., the Company’s majority owned subsidiary, reported listing its common shares on the Frankfurt Stock Exchange (FWB) under the ticker symbol “0B9”.

9. Income Tax Provision

Deferred income tax assets and liabilities consist of the following at September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Deferred Tax asset	740,174	$ 372,442
Valuation allowance	(740,174)	(372,442)
Net deferred tax assets	-	-

The Company estimates that it has an NOL carry forward of approximately $2,114,783 that begins to expire in 2024.

After evaluating any potential tax consequence from our former subsidiary and our own potential tax uncertainties, the Company has determined that there are no material uncertain tax positions that have a greater than 50% likelihood of reversal if the Company were to be audited. The Company believes that it is current with all payroll and other statutory taxes. Our tax return for the years ended December 31, 2010 to December 31, 2013 may be subject to IRS audit.

10. Related Party Transactions

Through December 31, 2012 the CEO of Mondial Ventures, Inc provided office space for the Company's Scottsdale office free of charge. As of January 1, 2013, a lease was signed for the same premises at a monthly rate of $2,000. Accrued rent due on this contract was $18,495 and $3,755 as of September 30, 2014 and December 31, 2013, respectively.

The Company has a service agreement with Global Media Network USA, Inc. a company 100% owned by Dennis Alexander, to provide the services of Dennis Alexander to the Company at a monthly rate of $5,000. The monthly rate was increased to $10,000 as of October 1, 2013. Balance due on this contract was $ 11,200 and nil as of September 30, 2014 and December 31, 2013, respectively.

The Company's majority owned subsidiary Boomerang Oil, Inc. has a service agreement with Global Media Network USA, Inc. a company 100% owned by Dennis Alexander, to provide the services of Dennis Alexander to the Company at a monthly rate of $10,000 effective in March 2014. Balance due on this contract was $70,000 and $nil as of September 30, 2014 and December 31, 2013, respectively.

The Company has a service agreement with Joanne M. Sylvanus, Accountant, a company owned 100% by Joanne M, Sylvanus, to provide her services to the Company at a rate of $3,000 per month. Balance due on this contract was $ 9,000 and $6,000 as of September 30, 2014 and December 31, 2013, respectively.

The Company's majority owned subsidiary Boomerang Oil, Inc. has a service agreement with Joanne M. Sylvanus, Accountant, a company owned 100% by Joanne M, Sylvanus, to provide her services to the Company at a rate of $4,000 per month. Balance due on this contract was $28,000 and $nil as of September 30, 2014 and December 31, 2013, respectively.

As December 31, 2013, the Company's CEO, Dennis Alexander, paid $53 on behalf of the Company for business related expenses. The balance remained outstanding as of September 30, 2014.

On November 20, 2013, the Company received cash proceeds of $15,000 from related party for debt obligation which bears interest at the rate of 6%. A debt discount of $7,424 was recorded due to embedded derivative feature in the convertible promissory note. This note is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest three day trading prices over the 10 trading days prior to the conversion date. Financing costs of $10,000 were paid in conjunction with this debt. For the quarter ended March 31, 2014, the Company recorded debt discount amortization of $3,699 and amortization of deferred financing cost of $2,500. No payments were made during the period ended September 30, 2014, and there was $1,042 in accrued interest on the note.

During the period ended September 30, 2014, the Company received $20,618 in loans from shareholders. These loans are payable on demand and carry a zero percent interest rate. Interest expense was imputed on these loans for the period.

As discussed in Note 7, EGPI Firecreek, Inc. sold a 37.5% working interest to the Company in the J.B. Tubb Leasehold Estate/Amoco Crawar Field on July 31, 2012, and sold an additional 12.5% working interest in the same properties on January 1, 2014. The assets were recorded by the Company at historical cost and there was no step up in basis.

On January 27, 2014, the Company executed an Omnibus Agreement with EGPI, TWL Investments aLLC ("TWL"), and Thomas J. Richards ("TJR") whereby EGPI delivered an Assignment and Bill of Sale (the "Assignment and Bill of Sale Agreement") for transfer of i) an additional 12.5% Working Interest and corresponding 9.375% Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field and oil and gas interests, including all related assets, fixtures, equipment, three well heads, three well bores, and pro rata oil & gas revenue and reserves for all depths below the surface to at least 8500 ft. ii) 12.5% Working Interest and 9.375% corresponding Net Revenue Interest in the Highland Production Company No. 2 well-bore located in the South 40 acres of the J.B. Tubb Leasehold Estate/Amoco Crawar field, oil and gas interests, pro rata oil & gas revenues and reserves with depth of ownership 4700 ft. to 4900 ft in well bore and 3800 ft. to 4000 ft in well bore, and iii) interest in the Participation Agreement (Turnkey Drilling, Re Entry, and Multiple Wells) granting certain rights in and to interests for additional development in the J.B. Tubb Leasehold Estate. In consideration for the additional working interest, the Company assumed $550,000 debt from EGPI. As the net carrying value of the additional working interest was greater than debt assumed, the Company recorded an increase in additional paid in capital of $282,743 on the acquisition. The Assignment and Bill of Sale was retroactively effective on January 1, 2014.

The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost.Shares granted were valued based upon the cost of the assets acquired. A subsequent review of the EGPI Firecreek, Inc. note deemed it uncollectible and resulted in a write-off to bad debts of the full amount.

During the period ended September 30, 2014, the Company's majority owned subsidiary Boomerang Oil, Inc. received cash of $1,710 from a related party for business related expenses. The balance remained unpaid at September 30, 2014.

On 3/25/2014, the Company closed a "three-cornered amalgamation" pursuant to an acquisition and amalgamation agreement (Amalgamation Agreement) dated March 25, 2014 among Boomerang Oil. Inc. (formerly 0922327 B. C. Ltd.) (Boomerang), SCorp, and 2301840 Ontario Inc., (Newco), a wholly owned subsidiary of Boomerang, incorporated solely for the purpose of completing the Amalgamation. Pursuant to the Amalgamation Agreement, SCorp amalgamated with Newco to form a combined entity (Amalco) and Boomerang issued 70,000,000 common shares in the capital of Boomerang to the holders of common shares in the capital of SCorp on the basis of one share of Boomerang for one share of SCorp held by the SCorp shareholders. The transaction was a related party transaction and as a result no step up in basis was provided and all assets came over at cost. Shares granted were valued based upon the cost of the assets acquired.

11. Notes Payable

At September 30, 2014 the Company was liable on the following Promissory notes

(See notes below to the accompanying table **)**

Date of Obligation	Notes	Date Obligation Matures	Interest Rate (%)	Balance Due 6/30/2014 ($)
2/8/2011	1	5/9/2011	24	20,000
3/17/2014	4	3/17/2015	10	10,000
8/4/2011	2	8/4/2012	24	75,250
8/1/2012	3	On demand	18*	100,107
1/2/2014	6	1/2/2015	9.875	12,500
8/1/2012	5	8/31/2013	24	100,000
3/17/2014	8	3/17/2015	10	7,500
1/11/2013	7	1/11/2014	12	17,870
1/2/2014	9	1/2/2015	10	9,375
2/11/2014	14	11/13/2014	8	22,500
3/27/2013	10	On demand	n/a	11,300
4/1/2013	5	3/31/2014	24	22,000
5/20/2013	11	3/20/2014	22	30,000
4/18/2013	12	12/18/2013	6	25,000
5/22/2013	13	5/22/2014	12	50,635
3/21/2014	18	On demand	n/a	27,911
6/19/2013	15	10/19/2013	18*	21,042
5/30/2013	16	2/28/2014	22	6,550
Various	17	On demand	18*	16,531
1/2/2014	24	On demand	18*	27,811
5/14/2013	20	5/14/2014	8	12,500
11/20/2013	19	11/20/2014	6	15,000
8/21/2013	20	8/21/2014	12	22,000
8/23/13	21	2/23/2014	n/a	25,000
8/30/2013	11	8/30/2014	12	25,000
8/30/2013	11	8/30/2014	12	19,273
9/30/2013	22	7/2/2014	8	15,995
10/20/2013	23	10/20/2014	6	1,287
4/26/2013	25	10/31/2014	n/a	176,327
1/1/2014	26	On demand	18*	390,534
1/1/2014	24	On demand	18*	112,812
4/19/2014	28	1/14/2015	8	8,000
5/12/2014	29	12/12/2014	12	30,000
5/12/2014	30	12/13/14	12	43.244
6/1/2014	31	6/1/2015	6	75,000
6/13/2014	32	12/13/2014	10	44,000
6/13/2014	33	12/13/2014	10	101,082
6/19/2014	34	On demand	n/a	20,564
Total				1,751,500
Unamortized discount				(149,595)
Net				1,601,905

*compounded monthly

Note 1: The Company entered into two note agreements with an unrelated third party for the amount of $20,000 and $25,000 during fiscal year 2011. During the year ended December 31, 2013, the Company entered into an agreement with the note holder to settle one of the note agreements in the amount of $25,000 with Company's common shares. As of December 31, 2013 the promissory note of $20,000, bearing interest at 24% annually remained outstanding. The note is in default as of September 30, 2014.

Note 2: Promissory note in the amount of $175,000 was outstanding as of December 31, 2013, bearing interest 24% annually. The total amount of $75,250 is outstanding as of September 30, 2014. The note is in default as of September 30, 2014.

Note 3: The Company entered into a promissory note agreement in the amount of $450,000 in 2012. The note is due on demand as of September 30, 2014 and the total balance is $100,107, which includes several debt repayments, debt assignments to third parties, and additional increases to the note. During the nine months period ended September 30, 2014, $54,000 was loaned under the terms of this note.

Note 4: On March 17, 2014, the Company received cash proceeds of $10,000 for this debt obligation which bears interest at the rate of 10% and included financing cost of $1,500. This note is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest 3 trading prices over the 30 days prior to the conversion date. A debt discount was recorded for $10,000 based on the fact that there was an embedded derivative features in the note. The debt discount and financing cost are amortized over the life of the note. The balance of this note as of September 30, 2014 was $10,000.

Note 5: During fiscal year 2012 Company entered into a non interest bearing note in the amount of $100,000 with 10% interest expenses embedded in the note amount, and default interest rate of $24%. No payment was made to this note during the quarter ended September 30, 2014. Interest debt discount was fully amortized as of December 31, 2013. On April 1, 2013, the Company entered into a second note agreement with the same party in the amount of $22,000 with the same terms. No payments were made during the nine months ended September 30, 2014. Interest discount is being amortized over the life of the note. Both notes were at default as of September 30, 2014.

Note 6: On January 2, 2014, the Company received cash proceeds of $12,500 for this debt obligation which bears interest at the rate of 10% and included financing cost of $2,500. This note is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest 3 trading prices over the 30 days prior to the conversion date. A debt discount was recorded for $12,500 based on the fact that there was an embedded derivative features in the note. The debt discount and financing cost are amortized over the life of the note. The balance remaining on this note as of September 30, 2014 is $12,500.

Note 7: The Company had a debt obligation which bears interest at the rate of 12%. This note is convertible into a number of shares by dividing the principal and interest owed by 30% of the average lowest trading prices over the 15 days prior to the conversion date. During the nine months ended September 30, 2014, no payment was made to the notes. The balance was $17,870 as of September 30, 2014. The note was at default as of September 30, 2014.

Note 8: On March 17, 2014, one of the note holders assigned debt in the amount of $7,500 to unrelated third party, and Company issued a convertible promissory note to this unrelated party for the debt assigned with 10% annual interest. This note is convertible into a number of shares at a discount of 65% of the lowest intra-day trading price during the five trading days immediately prior to conversion date. The Company evaluated the note and determined that the shares issuable pursuant to the conversion option were indeterminate and therefore this conversion option and all other dilutive securities would be classified as a derivative liability as of March 17, 2014. A debt discount of $7,500 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $11,173 was recorded on issuance date of the note. The debt discount was amortized over the life of the debt. The balance of the note as of September 30, 2014 is $7,500.

Note 9: On January 2, 2014, one of the note holders assigned debt in the amount of $20,000 to unrelated third party, and Company issued a convertible promissory note to this unrelated party for the debt assigned with 10% annual interest. This note is convertible into a number of shares at a discount of 65% of the lowest intra-day trading price during the five trading days immediately prior to conversion date. The Company evaluated the note and determined that the shares issuable pursuant to the conversion option were indeterminate and therefore this conversion option and all other dilutive securities would be classified as a derivative liability as of January 2, 2014. A debt discount of $20,000 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $24,989 was recorded on issuance date of the note. The debt discount was amortized over the life of the debt. As of September 30, 2014, the balance of the note is $9,375.

Note 10: As of September 30, 2014 the Company had a debt obligation of $11,300. The note bears no interest; therefore, Company imputed interest at 12% as additional paid in capital.

Note 11: On May 20, 2013, one of the note holders assigned debt in the amount of $30,000 to unrelated third party, and Company issued a convertible promissory note to this unrelated party for the debt assigned with 12% annual interest and default rate of 22%. The note is convertible into a number of shares at a discount of 50% off the lowest intra-day trading prices during the 10 days prior to the conversion date. The Company evaluated the note and determined that the shares issuable pursuant to the conversion option were indeterminate and therefore this conversion option and all other dilutive securities would be classified as a derivative liability as of May 20, 2013. Debt discount of $30,000 for each convertible note was recorded due to embedded derivative feature, and a loss on derivative valuation of $4,541 for each convertible note was also recorded as of December 31, 2013. As of September 30, 2014, the balance is $30,000. This note was at default as of September 30, 2014. On August 26, 2013, one of the note holders assigned debt in the amount of $42,000 to this same unrelated third party, and Company issued a convertible promissory note for the debt assigned with 12% annual interests and default rate of 22%. This convertible note has the same conversion terms as those previously issued to this unrelated third party. A debt discount of $42,000 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $11,035 was recorded as of December 31, 2013. As of September 30, 2014, the balance is $19,273. This note was in default as of September 30, 2014. On August 30, 2013, the Company received cash proceeds in the amount of $25,000 related to a convertible debt obligation with the same unrelated third party. This convertible note has the same conversion terms as those previously issued to this unrelated third party. A debt discount of $25,000 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $5,026 was recorded as of December 31, 2013. As of September 30, 2014, the balance of this note is $25,000.

Note 12: In April, 2013 the Company received cash proceeds of $25,000 for this debt obligation which bears interest at the rate of 6%. This note is convertible into a number of shares arrived at by dividing the principal and interest owed by 50% of the average lowest 3 trading prices over the 20 days prior to the conversion date. A debt discount was recorded for $25,000 based on the fact that there was a beneficial conversion feature in the promissory note and fully amortized during the year ended December 31, 2013. This note is in default as of September 30, 2014.

Note 13: On May 22, 2013, the Company received cash advances of $25,000 against a reserved note of $275,000. Outstanding principal amount included cash proceed of $25,000, 10% of original interest discount of $2,500, and financing cost of $2,000. The note bears annual interest of 12%. This note is convertible into a number of shares equal to the dollar conversion amount divided by the lesser of $0.10 or 60% of the lowest trading price in the 25 trading days prior to conversion. A debt discount of $26,137 was recorded due to embedded derivative feature in the convertible promissory note. The balance on this note as of September 30, 2014 is $21,135. In addition, on August 21, 2013, the Company received another convertible note in the amount of $25,000 against the reserved note of $275,000 from the same unrelated third party. Outstanding principal of this note included cash proceed of $25,000, 10% of original interest discount of $2,500, and financing cost of $2,000. This note has the same conversion and interest term as that previously issued to the same party. A debt discount of $29,500 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $9,369 was recorded as of December 31, 2013. As of September 30, 2014, the balance of this note is $50,635.

Note 14: On February 11, 2014, the Company received cash proceeds of $22,500 for this debt obligation which bears interest at the rate of 8% and includes financing cost of $2,500. This note is convertible into a number of shares arrived at by dividing the principal and interest owed by 45% of the average lowest 3 days trading prices over the 10 days prior to the conversion date. The Company evaluated the note and determined that the shares issuable pursuant to the conversion option were indeterminate and therefore this conversion option and all other dilutive securities would be classified as a derivative liability as of February 11, 2014. A debt discount of $22,500 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $19,666 was recorded as of March 31, 2014. The balance of this note is $22,500 as of September 30, 2014.

Note 15: As of December 31, 2013 the Company had a note outstanding of $12,000 for this debt obligation which bears interest at the rate of 18% compounded monthly. No payments were made during the period and there is accrued interest of $3,903 on the note. Accrued interest was reclassified to principal owed as of December 31, 2013, yielding balance of $15,903. During the nine months ended September 30, 2014, no payment was made, interest expenses of $4,220 for the nine months ended September 30, 2014 was reclassified to the principal owed, yielding balance of $21,042 as of September 30, 2014. This note is in default as of September 30, 2014.

Note 16: On May 30, 2013, the Company received cash proceeds of $50,000 for this debt obligation which bears interest at the rate of 12% and default rate of 22%. This note is convertible into a number of shares arrived at by dividing the principal and interest owed by 50% of the average lowest trading prices over the 5 days prior to the conversion date. A debt discount of $50,000 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $5,652 was recorded as of December 31, 2013. In relation to the cash advances, financing costs of $2,500 were paid in conjunction with this debt. These fees are amortized over the term of the loan. As of September 30, 2014, the balance of this note is $6,550.

Note 17: During the year ended December 31, 2013 we received cash proceeds from an unrelated third party for the aggregate amount of $11,500, which is payable in principal and interest with rates of 18% compounded monthly. During the period ended September 30, 2014, this unrelated third party advanced additional $10,000 cash to the Company for its daily operation, and the Company repaid this party $4,000 cash during the period. Accrued interest was reclassified to principal owed. The balance as of September 30, 2014 is $16,531.

Note 18: On March 21, 2014, the Company entered into a settlement agreement with unrelated third party. Pursuant to the settlement agreement the third party was to pay past due accounts payable up to $206,000 on behalf of the Company in exchange for the issuance of Company stock at 60% of the lowest trading price during 15 trading days prior to conversion. During the period ended September 30, 2014, the third party assumed $63,234 of Company's past due liabilities. As of September 30, 2014, a balance of $27,911 remains outstanding.

Note 19: On November 20, 2013, the Company received cash proceeds of $15,000 for this debt obligation which bears interest at the rate of 6%. This note is an unsecured Promissory Note. As of September 30, 2014, the balance of this note is $15,000.

Note 20: On August 14, 2013, the Company received cash proceeds of $22,000 for this convertible debt obligation which bears interest at the rate of 8%, and includes financing cost of $2,500. This note is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest three day trading prices over the 10 days prior to the conversion date. A debt discount of $22,000 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $1,407 was recorded as of December 31, 2013. As of September 30, 2014, the balance of this note is $22,000.

Note 21: On August 23, 2013, the Company received cash proceeds of $25,000 for this convertible debt obligation that has a cash redemption premium of 125%. This note is convertible into a number of shares by dividing the principal by 50% of the average of the three lowest trades over the 10 days prior to the conversion date. This convertible note bears no interest; therefore, the Company imputed interest at 12% and recorded as additional paid in capital. A debt discount of $25,000 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $7,178 was recorded as of December 31, 2013. As of September 30, 2014, the note balance is $25,000. The note was at default as of September 30, 2014.

Note 22: On September 30, 2013, the Company received cash proceeds of $32,500 for this debt obligation which bears interest at the rate of 8% and includes financing cost of $2,500. This note is convertible into a number of shares by dividing the principal and interest owed by 45% of the average lowest three day trading prices over the 20 days prior to the conversion date. A debt discount of $32,500 was recorded due to embedded derivative feature in the convertible promissory note, and a loss on derivative valuation of $9,967 was recorded as of December 31, 2013. As of September 30, 2014, the balance of this note is $15,995.

Note 23: On November 20, 2013, related parties paid Company obligations in the amount of $1,287. These are non-interest bearing advances to the Company for which the related parties are to be reimbursed.

Note 24: On January 1, 2014, the Company acquired additional 12.5% of the total 100% of working interest in the Tubb lease oil and gas properties from its related party EGPI Firecreek. As consideration of the acquisition, the Company assumed $173,727 debt from EGPI Firecreek. The debt assumed bears 18% compounded annual interest. During the nine months ended September 30, 2014, the Company approved a partial assignment of this debt in the amount of $75,000 to certain institutional or accredited investors, and interest expense for the nine months ended September 30, 2014 in the amount of $14,457 was reclassified to the principal owed, yielding balance of $112,812 as of September 30, 2014.

Note 25: On April 26, 2013, the Company entered into an agreement to extend option with related party EGPI Firecreek and its oil and gas properties operator. In the agreement, the Company acknowledged that related party, EGPI Firecreek, Inc. had outstanding balance in the amount of $200,000 owed to Company's oil and gas properties operator, and agreed to assume the debt repaying obligation along with EGPI Firecreek. In the nine months ended September 30, 2014, payment of $23,673 was made. As the note agreement has no stated interest, the Company imputed interest at 12%, and recorded imputed interest as additional paid in capital.

Note 26: On January 1, 2014, the Company acquired additional 12.5% of the total 100% of working interest in the Tubb lease oil and gas properties from its related party EGPI Firecreek. As consideration of the acquisition, the Company assumed $376,273 debt from EGPI Firecreek. The debt assumed bears 18% compounded annual interest. During the quarter ended March 31, 2014, $10,000 of the debt was paid by unrelated party on behalf of the Company. During the nine months ended September 30, 2014, the Company approved a partial assignment of this debt in the amount of $60,000 to certain institutional or accredited investors, and interest expense for the nine months ended September 30, 2014 in the amount of $32,840 was reclassified to the principal owed, yielding balance of $390,534 as of September 30, 2014.

Note 27: During the quarter ended March 31, 2014, the Company and one of its debt holders agreed to rescind a conversion of convertible debt executed during fiscal year 2013. Common stock of 6,667 was rescinded and debt in the amount of $12,500 was reinstated as of March 31, 2014. During the quarter ended September 30, 2014, no payment was made to this note, and there was accrued interest of $750 due on this note as of September 30, 2014.

Note 28: On April 9, 2014, the Company received cash proceeds of $8,000 for debt obligation which bears interest at the rate of 8%. This note is convertible into a number of shares by dividing the principal and interest owed by 45% of the average lowest three day trading prices during the 30 trading days prior to the conversion date. A debt discount of $8,000 and a loss on derivative valuation of $10,186 was recorded due to embedded derivative feature in the convertible promissory note as of September 30, 2014. During the nine months ended September 30, 2014, no payment was made to this note.

Note 29: On May 12, 2014, the Company received cash proceeds of $30,000 for this debt obligation which bears interest at the rate of 12% and the face value includes $10,000 of interest. This note is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest trading prices over the 5 days prior to the conversion date. A debt discount of $30,000 and a loss on derivative valuation of $29,205 was recorded due to embedded derivative feature in the convertible promissory note as of September 30, 2014. The balance is $30,000 as of September 30, 2014.

Note 30: In June 2014, the Company approved a partial assignment of Company debt via an assignment and assumption agreement in the face amount of $60,000 to certain institutional or accredited investors. This note bears interest at the rate of 12% and is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest trading prices over the 10 days prior to the conversion date. A debt discount of $60,000 and a loss on derivative valuation of $81,254 was recorded due to embedded derivative feature in the convertible promissory note as of September 30, 2014. During the nine months ended September 30, 2014 payment of $ 16,756 was made on this note leaving a balance of $ 43,244 as of September 30,2014.

Note 31: In June 2014, the Company issued a convertible note in the amount of $75,000 under a consulting agreement with an unrelated third party. The note bears interest at the rate of 6% and the note is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest three day trading prices over the 10 days prior to the conversion date. A debt discount of $75,000 and a loss on derivative valuation of $102,262 was recorded due to embedded derivative feature in the convertible promissory note as of September 30, 2014. During the nine months ended September 30, 2014 no payment was made on this note.

Note 32: June 13, 2014 the Company received cash proceeds of $22,000 as the first installment on a debt obligation of $44,000 with an original issue discount of 10%. Second installment of $22,000 was received in the next fiscal quarter in the month of July 2014. This note bears interest at the rate of 10% and is convertible into a number of shares by dividing the principal and interest owed by 50% of the average lowest trading prices over the 20 days prior to the conversion date. A debt discount of $44,000 and a loss on derivative valuation of $40,894 was recorded due to embedded derivative feature in the convertible promissory note as of September 30, 2014. No payments have been made on this note.

Note 33: On June 13, 2014, the Company approved a partial assignment of Company debt via a securities settlement agreement in the amount of $153,089 to certain institutional or accredited investors. The debt bears guaranteed interest at a rate of 10% that was added to the recorded note value and is convertible at a 50% discount of the lowest trading price over the 20 days prior to the conversion date. A debt discount of $113,208 was recorded due to embedded derivative feature in the convertible promissory note as of September 30, 2014. Payments of $52,007 have been made on this note.

Note 34: During the period ended September 30, 2014, the Company received $20,564 in loans from related parties. These loans did not have a stated rate of interest. The Company imputed interest and recorded as additional paid in capital.

12. Derivative Liabilities

The Company evaluated the conversion feature embedded in the convertible notes to determine if such conversion feature should be bifurcated from its host instrument and accounted for as a freestanding derivative. Due to the note not meeting the definition of a conventional debt instrument because it contained a diluted issuance provision, the convertible notes were accounted for in accordance with ASC 815. According to ASC 815, the derivatives associated with the convertible notes were recognized as a discount to the debt instrument, and the discount is being amortized over the life of the note and any excess of the derivative value over the note payable value is recognized as additional expense at issuance date.

Further, and in accordance with ASC 815, the embedded derivatives are revalued at each balance sheet date and marked to fair value with the corresponding adjustment as a "gain or loss on change in fair value of derivatives" in the consolidated statement of operations.

As of September 30, 2014, the fair value of the embedded derivatives included on the accompanying consolidated balance sheet was $1,127,499. During the nine months period ended September 30, 2014, the Company recognized a loss on change in fair value of derivative liability totaling $838,187. Key assumptions used in the valuation of derivative liabilities associated with the convertible notes at September 30, 2014 were as follows:

- The stock price would fluctuate with an annual volatility ranging from 324% to 550% based on the historical volatility for the company.
- An event of default would occur 5% of the time, increasing 1.00% per quarter to a maximum of 10%.
- Alternative financing for the convertible notes would be initially available to redeem the note 0% of the time and increase quarterly by 1% to a maximum of 20%.
- The monthly trading volume would average $51,785 to $487,379 and would increase at 1% per month.
- The variable conversion prices ranging from 25% to 60% of bid or close prices over 10 to 25 trading days have effective discount rates of 59.87% to 82.38%
- The holder would automatically convert at variable conversion prices ranging from 25% to 60% of bid or close prices over 10 to 25 trading days if the registration was effective and the company was not in default.
- Conversion price reset events are assumed every 3 months.

The Company classifies the fair value of these securities under level three of the fair value hierarchy of financial instruments. The fair value of the derivative liability was calculated using a lattice model that values the compound embedded derivatives based on a probability weighted discounted cash flow model. This model is based on future projections of the various potential outcomes. The embedded derivatives that were analyzed and incorporated into the model included the conversion feature with the full ratchet reset, and the redemption options.

The components of the derivative liability on the Company's balance sheet at September 30, 2014 and December 31, 2013 are as follows:

	September 30, 2014	December 31, 2013
Embedded conversion features - convertible promissory notes	$ 1,127,499	$ 220,131
	$ 1,127,499	$ 220,131

The Company had the following changes in the derivative liability:

Balance at December 31, 2013	220,131
Issuance of securities with embedded derivatives	$ 822,415
Debt conversion	(421,672)
Prior period conversion rescinded	3,911
Derivative (gain) or loss due to mark to market adjustment	502,714
Balance at June 30, 2014	$ 1,127,499

13. Asset Retirement Obligation (ARO)

The ARO is recorded at fair value and accretion expense is recognized as the discounted liability is accreted to its expected settlement value. The fair value of the ARO liability is measured by using expected future cash outflows discounted at the Company's credit adjusted risk free interest rate.

Amounts incurred to settle plugging and abandonment obligations that are either less than or greater than amounts accrued are recorded as a gain or loss in current operations. Revisions to previous estimates, such as the estimated cost to plug a well or the estimated future economic life of a well, may require adjustments to the ARO and are capitalized as part of the costs of proved oil and natural gas property.

The following table is a reconciliation of the ARO liability for continuing operations for the three months ended June 30, 2014 and December 31, 2013.

	September 30, 2014	December 31, 2013
Asset retirement obligation at the beginning of period	$ 5,781	$ 5,114
Acquisition of oil and gas leases	2,025	-
Adjustment to ARO	(2,025)	-
Dispositions	-	-
Accretion expense	2,478	667
Asset retirement obligation at the end of period	$ 8,259	$ 5,781

14. Concentrations and Risk

Customers

During the nine months ended September 30, 2014, revenue generated under the top two customers accounted for 100% of the Company's total revenue. Concentration with a single or a few customers may expose the Company to the risk of substantial losses if a single dominant customer stops conducting business with the Company. Moreover, the Company may be subject to the risks faced by these major customers to the extent that such risks impede such customers' ability to stay in business and make timely payments.

15. Legal Proceeding

On March 21, 2014, the Circuit Court in the Twelfth Judicial Circuit in and for Sarasota County, Florida (the "Court"), entered an Order Granting Approval of Settlement Agreement (the "Order") approving, among other things, the fairness of the terms and conditions of an exchange pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), in accordance with a Settlement Agreement (the "Settlement Agreement") between the Company and IBC Funds, LLC, a Nevada limited liability company ("IBC"), in the matter entitled IBC Funds, LLC, vs. Mondial Ventures, Inc., Case No. 2014 CA 011677 NC (the "Action"). IBC commenced the Action against us to recover an aggregate of $206,000 of past-due accounts payable, which IBC had purchased from certain of our vendors pursuant to the terms of separate claim purchase agreements between IBC and each of the respective vendors (the Assigned Accounts), plus fees and costs (the "Claim"). The Assigned Accounts relate to certain transfer agent fees, oil and gas development costs, oil and gas reserve and engineering report costs, and legal fees and services, and consulting fees. The Order provides for the full and final settlement of the Claim and the Action.

During the nine months ended September 30, 2014, IBC Funds, LLC purchased claim purchase agreement in the amount of $63,234. During the nine months ended September 30, 2014, the Company has issued 6,482,000 shares valued at $10,441 to settle $10,441 of debt due to IBC Funds, LLC. In addition, the Company issued 375,000 shares valued on settlement date at $34,500 as settlement fee pursuant to the settlement agreement.

In May 2015 the Company received a lawsuit from LG Capital, LLC alleging the Company has not paid at the maturity date on two of its convertible promissory notes. The Plaintiffs action describes the notes as totaling $13,245.49 and $23,315.86 plus interest, fees and costs. The Company had understood the transaction for the two promissory notes would have earlier been converted into common shares. The Company will proceed to determine on a potential settlement or resolution of the matter. The notes are recorded as a liability in the balance sheet as convertible loan payable net – in default.

In May 2015 the Company received a lawsuit from JSJ Investments, Inc. alleging the Company has not paid at the maturity date on a convertible promissory note. The Plaintiffs action describes the note as totaling $25,000 plus interest, fees, costs and other relief. The Company had understood the transaction for the promissory note would have earlier been converted into common shares. The Company will proceed to determine on a potential settlement or resolution of the matter. The notes are recorded as a liability in the balance sheet as convertible loan payable net – in default.

16. Contingencies

The Company has certain notes that may become convertible in the future and potentially result in dilution to our common shareholders.

The Company, through its majority owned Canadian subsidiary, Boomerang Oil, Inc. entered into a Listing Service Agreement with Public Eye Consulting, on April 28, 2014. The terms were for payment of $90,000 Canadian dollars, 400,000 common shares and 125,000 stock options. Public Eye has failed to perform as contracted and Boomerang is rescinding the contract. Partial payment has already been made, but Boomerang may be liable for some portion of the remaining balance after negotiations are completed.

Provisions for this contingent liability have been recorded on the books.

17. Amalgamation and Acquisition-related party

On 3/25/2014, Boomerang Oil, Inc. (formerly 0922327 B.C. Ltd.) entered into acquisition agreement with Shale Corp to acquire all issued and

outstanding Shale Corp shares. Pursuant to the acquisition agreement, Boomerang was to issue 70,000,000 of its common stock to acquire all of Shale Corp's issued and outstanding shares on a 1 to 1 basis. Subsequent to the share exchange, Shale Corp became Boomerang's wholly owned subsidiary. Immediately after the share exchange, Shale Corp amalgamated with Boomerang's wholly owned subsidiary 2301840 Ontario, Inc. to form a new subsidiary subsequently named as 1913564 Ontario, Inc. As a result of the share exchange, the Company, which owned 47 million of Shale Corp immediately prior to the share exchanges, became 66.17% owner of the consolidated entity of Boomerang Oil, Inc. and 1913564 Ontario, Inc. Through its majority ownership, the Company reported carrying value of net assets/liabilities of Boomerang Oil, Inc. and 1913564 Ontario, Inc. with non-controlling interest. The Company recorded $208,712 equity balance as effect of the amalgamation and acquisition as of March 31, 2014.

18. Non-controlling interest

Non-controlling interest represents the 33.83% interest in the subsidiaries. This non-controlling interest balance is composed of the transfer of oil and gas properties interest, amalgamation and acquisition among majority owned subsidiaries, net loss, and unrealized foreign currency translation loss attributable to the non-controlling interest for the nine months ended September 30, 2014.

19. Subsequent Events

Subsequent to quarter ended September 30, 2014 to May 25, 2015, the Company issued 155,168,571 common shares to reduce debt on convertible promissory notes in the amount of approximately $7,187.

Subsequent to quarter ended September 30, 2014 to May 25, 2015, the Company issued 155,000,000 common shares to reduce account payable balances in the amount of approximately $9,300.

In January, 2014 and February, March, April and most recently in May 2015, the Company entered into an amended a Modification and Extension to "Amended Participation Agreement" dated January 21, 2014. The Modification and Extension again updates and extends Exhibit "B" of an Asset Purchase Agreement made and entered into as of January 21, 2014, the Effective Date ("Effective Date"), by and among Shale Corp., a corporation organized under the laws of the Province of Ontario in Canada with its principal place of business located at 365 Bay St, Suite 400, Toronto On, M5H 2V1(the "Company"), and the Investor acting as the Company, along with approvals from Success Oil Co., Inc., its Operator and Partner, EGPI Firecreek, Inc. via its wholly owned subsidiary Energy Producers, Inc., Partner, and TWL Investments, LLC, investing participants, to amend, modify and extend Section II. Paragraph one thereto, giving extra time to the Participation Agreement originally allowing for six (6) months (through June 30, 2014 unless mutually extended by all parties thereto), extended to June 30, 2015 (unless mutually extended by all parties thereto) for participants to deliver to Operator Participant's share of the Turnkey Cost to Casing Point for drilling of the first Prospect Well.

In January, 2014, and February, March, April and most recently in May 2015, the Company entered into a Thirteenth Amendment to a Modification, Amendment, and Further Extension of the Agreement to Extend Option dated effective on December 31, 2013 between EGPI Firecreek, Inc. on behalf of itself and all of its wholly owned subsidiaries including, but not limited to, Energy Producers, Inc. ("EPI"), and the Company, which is amended to be by and through 2301840 Ontario Inc., a wholly owned subsidiary of Boomerang Oil, Inc. (formerly 0922337 BC LTD) ("Boomerang"), now a Majority owned subsidiary of the Company. The parties thereto, as amended, having earlier entered into an Agreement to Extend Option with Success Oil Co., Inc., ("Success") along with all the parties to wit, agreed summarily to i) further extend the Option Agreement through June 30, 2015 unless further modified or extended by the parties in writing, and ii) in summary, to allow certain past due capital expenditure costs in the total aggregate amount of $200,000 historically held by Success to begin to be paid out of available cash flow on a monthly basis from the Joint Interest Billings, and from only the current producing economic wells and interests, pro rata, not to include future wells, and to begin after April 6, 2014 for the January 2014 forward billings, until paid, unless otherwise negotiated to the satisfaction of Success.

In March 2015, the Company issued 18% promissory notes in the total face amount of $4,000 to a certain accredited investor in behalf of its direct investment to the company. Terms for the purchase price in addition to interest include additional $100 repayment fee all due on the Maturity date which is 7 days from December 1, 2014 or May 1, 2015.

In April 2015, the Company issued shares of its majority owned subsidiary: i) 300,000 for legal and other services; 30,000 shares for accrued services rendered; 50,000 shares in behalf of borrowings, loans, and other business services provided to the Company; and sold 400,000 shares of common stock held by the Company in the majority owned subsidiary. The shares in the aggregate represent 1.66% of the interests held by the Company in the majority owned subsidiary.

In May 2015 the Parent Company which owns majority ownership of the Company issued and sold 400,000 shares of common stock held in the majority owned subsidiary representing .85% of 1% issued in behalf of assisting partial service fees required to maintain the oil and gas interests held in the Company's majority owned subsidiary, sold 510,000 shares of common stock held in the majority owned subsidiary representing 1.08% in behalf of assisting the Company's expenses, and issued 900,000 shares for partial payment of accrued services rendered to the majority owned subsidiary representing of 1.92% of the interests held by the Company in the majority owned subsidiary.

As of May 25, 2015 the Company holds 44,225,000 common shares representing 60.18% interest in its majority owned subsidiary.

In May 2015 the Company received a lawsuit from LG Capital, LLC alleging the Company has not paid at the maturity date on two of its convertible promissory notes. The Plaintiffs action describes the notes as totaling $13,245.49 and $23,315.86 plus interest, fees and costs. The Company had understood the transaction for the two promissory notes would have earlier been converted into common shares. The Company will proceed to determine on a potential settlement or resolution of the matter. The notes are recorded as a liability in the balance sheet as convertible loan payable net – in default.

In May 2015 the Company received a lawsuit from JSJ Investments, Inc. alleging the Company has not paid at the maturity date on a convertible promissory note. The Plaintiffs action describes the note as totaling $25,000 plus interest, fees, costs and other relief. The Company had understood the transaction for the promissory note would have earlier been converted into common shares. The Company will proceed to determine on a potential settlement or resolution of the matter. The notes are recorded as a liability in the balance sheet as convertible loan payable net – in default.

Please also see Item 5 "Other Information" listed in this report.

ITEM 2. – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the Consolidated Financial Statements in Form 10-K, as amended, and the other financial data appearing elsewhere in this Form 10-Q Report.

The information set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including, among others (i) expected changes in the Company's revenues and profitability, (ii) prospective business opportunities and (iii) the Company's strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes", "anticipates", "intends" or "expects". These forward-looking statements relate to the plans, objectives and expectations of the Company for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved. In light of these risks and uncertainties, there can be no assurance that actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

General

As of July 31, 2012 we are an oil and gas production company focused on the recovery and development of oil and natural gas.

Our Historical Business

Legacy – Mondial Merger

Pursuant to an Agreement and Plan of Merger dated as of December 14, 2010, entered into by and between Legacy Athletic Apparel LLC, ("Legacy") a Virginia limited liability company and Mondial a Nevada corporation, on December 30, 2010, Legacy merged into Mondial, with Mondial being the surviving entity. Prior to the Plan of Merger Legacy was formed in July 2010 as a Virginia limited liability company. As a result of the merger, Mondial succeeded to the business and acquired all the assets and assumed all the liabilities of Legacy. Previous business activities related to Legacy operations included the development, design, marketing and distribution of branded performance apparel, footwear and accessories for men, women and youth.

Historical Mining Operations

Prior to the historical merger with Legacy, the Company was an exploration stage mineral company engaged in the acquisition, and exploration of mineral properties with a view to exploiting any mineral deposits we would discover and that demonstrated economic feasibility. Prior to December 15, 2010, we owned a 100% interest in four contiguous mineral claims collectively known as the Q29 property. The claims expired on December 15, 2010, and in light of our determination to change our business as contemplated in the merger, we did not re-stake the claims.

We account for or have accounted for Legacy in discontinued operations in the consolidated statements of operations for the related fiscal year.

Completion and Entry into a Definitive Agreement with Energy Producers, Inc., a wholly owned subsidiary of EGPI Firecreek, Inc. ("EGPI") for Sale of Oil and Gas Interests and Rights in J.B. Tubb Leasehold Estate, Ward and Jones County Texas

On July 31, 2012, the Company as the assignee of CUBO Energy PLC entered into and completed the closing of an Assignment and Bill of Sale and Stock Purchase Agreement ("SPA") with EGPI Firecreek Inc. through its wholly owned subsidiary Energy Producers, Inc. ("EGPI"). The interests acquired from EGPI were oil and gas interests in the J.B. Tubb Leasehold Estate located outside of Odessa Texas in Ward and Jones County. The Agreement included our entering into a Participation Agreement (Turnkey Drilling, Re Entry, and Multiple Wells) granting certain rights in and to interests for additional development on the J.B. Tubb Leasehold Estate. The Company presently owns 37.5% working interest ("WI"), 28.125% net revenue interest ("NRI") in the oil and gas interests, and pro rata oil & gas revenue and reserves for all depths below the surface to at least 8500 ft. including all related assets, fixtures, equipment, three well heads and three well bores. The field is located in the Permian Basin and the Crawar Field, directly adjacent to property operated by Chevron Corporation in Ward County, Texas (12 miles southeast of Monahans and 30 miles west of Odessa in West Texas). For further information see the section on the "Business" and "Description of Properties" listed in this Report.

On January 27, 2014, the Company executed an Omnibus Agreement with EGPI, TWL Investments aLLC ("TWL"), and Thomas J. Richards ("TJR") whereby EGPI delivered an Assignment and Bill of Sale (the "Assignment and Bill of Sale Agreement") for transfer of i) an additional 12.5% Working Interest and corresponding 9.375% Net Revenue Interest in the North 40 acres of the J.B. Tubb Leasehold Estate. The assignment and bill of sale was retroactively effective on January 1, 2014.

Completion and Entry into a Definitive Short Form Agreement with Energy Producers, Inc., a wholly owned subsidiary of EGPI Firecreek, Inc., for Evaluation and Potential Acquisition of 50% Oil and Gas Working Interests, Callahan, Stephens, and Shakelford Counties, Texas

On October 30, 2012, the Company as the assignee of CUBO Energy PLC and Energy Producers, Inc., a wholly owned subsidiary of EGPI Firecreek, Inc. ("EGPI") entered into a Linear Short Form Agreement involving the development and acquisition of oil and gas interests subject to certain requirements. The interests relating to 50% working interests and corresponding 32% net revenue interests in oil and gas leases representing the aggregate total of 240 acre leases, reserves, three wells, and equipment located in Callahan, Stephens, and Shackelford Counties, West Central Texas. For further information see the section on the "Business" listed in this Report. The parties had until November 6, 2012 to finalize this agreement but did not do so by that date. Both parties are still interested in pursuing this transaction in the future.

Transfer of Oil and Gas Properties Interests to New Majority Owned Subsidiary, Boomerang Oil, Inc.

Effective on January 1, 2014, the Company delivered an Assignment and Bill of Sale agreement to Shale Corp. ("Shale", "Shale Corp" or "SCorp") for transfer of its entire 50% of working interest and corresponding 37.50% net revenue interest in the North 40 acres of the J.B. Tubb Leasehold Estate, discussed in Note 7. In consideration, the Company received $42,703 cash payment, $400,000 outstanding debt to be assumed by Shale corp., and 47 million of Shale Corp's common stock resulting from completion of a three cornered amalgamation agreement. On March 31, 2014, Shale Corp then closed a "three cornered amalgamation" pursuant to an acquisition and amalgamation agreement ("Amalgamation Agreement") dated March 25, 2014 among Boomerang Oil Inc. (formerly 0922327 B.C. Ltd.) ("Boomerang"), SCorp, and 2301840 Ontario Inc. ("Newco"), a wholly-owned subsidiary of Boomerang incorporated solely for the purpose of completing the Amalgamation. Pursuant to the Amalgamation Agreement, SCorp amalgamated with Newco to form a combined entity ("Amalco") and Boomerang issued 70,000,000 common shares in the capital of Boomerang to the holders of common shares in the capital of SCorp on the basis of one share of Boomerang for one share of SCorp held by the SCorp shareholders. Upon closing of the Amalgamation, including consolidated adjustments, the Company owns 66.17% of Boomerang.

Subsequent to completion and closing of the Amalgamation on April 8, 2014, the Company's majority owned subsidiary Boomerang Oil, Inc. (formerly 0922327 B.C. Ltd.) reported and announced that it had completed the three cornered amalgamation (the Amalgamation") and that it had, pursuant to the acquisition and amalgamation agreement ("Amalgamation Agreement") dated March 25, 2014 among the Company, Shale Corp. ("Shale"), and 2301840 Ontario Inc. ("Newco"), a wholly owned subsidiary of Boomerang Oil, Inc., incorporated solely for the purpose of completing the Amalgamation. Pursuant to the Amalgamation Agreement, Shale amalgamated with Newco to form a combined entity ("Amalco") and the Boomerang issued 70,000,000 common shares in the capital of the Company to the holders of common shares in the capital of Shale on the basis of one share of the Company for one share of Shale held by the Shale shareholders. Upon completion of the Amalgamation, Amalco became a wholly owned subsidiary of Boomerang Oil, Inc. In connection with the Amalgamation, 0922327 B.C. Ltd. changed its name to "Boomerang Oil, Inc." to reflect the new business. Boomerang adopted the business of Shale, which includes the exploration, acquisition and operation of oil and gas assets principally within the United States of America. Shale is currently operating within Texas and has a compliant NI 51-101 Reserve Estimate. The Company as above noted owns 47 million shares as a result of the Amalgamation Agreement resulting in 66.017% consolidated ownership in Boomerang Oil, Inc., and based on its 71,783,740 common shares issued and outstanding as of June 30, 2014 and through the filing date of this report. Effective April 2, 2014 Boomerang Oil, Inc., the Company's majority owned subsidiary, commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "BOI". Further, effective on June 11, 2014 Boomerang Oil, Inc., the Company's majority owned subsidiary, reported listing its common shares on the Frankfurt Stock Exchange (FWB) under the ticker symbol "0B9".

The Company expects to incur an increase in operating expenses during the next year from commencing activities related to its plans for the Company's oil and gas business including, but not limited to uncertainty as to development and the time and timing required for the Company's plans to be fully implemented, governmental regulatory responses to the Company's plans, fluctuating markets and corresponding spikes, or dips in our products demand, currency exchange rates between countries, acquisition and development pricing, related costs, expenses, offsets, increases, and adjustments. There can be no assurance that the Company will ever generate significant revenues or achieve profitability at all or on any substantial basis.

To the extent possible, the following discussion will highlight the Company's business activities for the three and nine months end September 30, 2014 and 2013.

Results of Operations

Nine months ended September 30, 2014 compared to the nine months ended September 30, 2013.

Total revenue for sales of oil and gas during the nine months ended September30, 2014 was $98,995 compared with $103,544 in 2013.

Following is a breakdown of general and administrative costs for this period versus a year ago:

Detail of general and administrative expenses:

	For the nine months ended September 30,	
	2014	2013
Advertising and promotion	$ 68	$ 866
Administration	662,644	46,108
Rent and utilities	6,000	18,000
Professional Fees	2,483,831	572,491
Total	$ 3,152,543	$ 637,465

For the nine months ended September 30, 2014, total administration expenses increased by $616,536 compared to the same period in 2013.

For the nine months ended September 30, 2014 professional fees of $2,483,831 were incurred in regard to management advisory, legal costs and accounting which included additional costs for the acquisition of a subsidiary company as compared to $572,491 for the nine months ended September 30, 2013.

Interest expense for the nine months ended September 30, 2014 was $800,523 compared to $528,982 for the same period last year.

Income (loss) per share was ($0.02) per share for the nine months ended September 30, 2014, compared to an income (loss) of ($0.03) per share for the nine months ended September 30, 2013. The Company incurred loss on debt settlement in the amount of $473,100 for the nine months ended September 30, 2014, compared to $546,386 in the same period in 2013. The Company incurred loss on derivative in the amount of $838,107 for the nine months ended September 30 2014, compared to $356,910 in the same period in 2013.

Three months ended September 30, 2014 compared to the three months ended September 30, 2013.

Total revenue for sales of oil and gas during the three months ended September 30, 2014 was $38,968 compared with $41,654 in 2013.

Following is a breakdown of general and administrative costs for this period versus a year ago:

Detail of general and administrative expenses:

	For the three months ended September 30,	
	2014	2013
Advertising and promotion	$ 68	$ -
Administration	31,477	18,923
Rent and utilities	6,000	6,000
Professional Fees	82,604	130,439
Total	$ 120,149	$ 155,362

For the three months ended September 30, 2014, total administration expenses decreased by $12,554 compared to the same period in 2013.

For the three months ended September 30, 2014 professional fees of $82,604 were incurred in regard to management advisory, legal costs and accounting as compared to $130,439 for the three months ended September 30, 2013.

Interest expense for the three months ended September 30, 2014 was $300,349 compared to $297,415 for the same period last year.

Income (loss) per share was ($0.00) per share for the three months ended September 30, 2014, compared to an income (loss) of ($0.01) per share for the three months ended September 30, 2013. The Company incurred loss on debt settlement in the amount of $63,400 for the three months ended September 30, 2014, compared to $73,438 in the same period in 2013.

The Company incurred loss on derivative in the amount of $265,972 for the three months ended September 30 2014, compared to $84,876 in the same period in 2013.

D **iscussion of Financial Condition: Liquidity and Capital Resources**

Cash on hand at September 30, 2014 was $4,125 compared to $3,508 at December 31, 2013. The Company had working capital deficit of $3,332,177 at September 30, 2014 compared to a working capital deficit of $1,363,383 at December 31, 2013.

Total assets increased to $1,101,602 at September 30, 2014 compared to $844,536 at December 31, 2014 mainly as a result of the acquisition of additional oil and gas leases.

Shareholders' equity (deficit) increased to a deficit of $2,243,546 at September 30, 2014 from a deficit of $528,136 at December 31, 2013. During the nine months ended September 30, 2014, the Company issued 1,665,153,671 shares to retire debt and pay for services.

For the nine months period ended September 30, 2014, the Company has used $268,283 cash in operating activities compared to $419,079 cash used in the same period in 2013.

For the nine months period ended September 30, 2014, the Company has received cash $141,470 for investing activities in relation to oil and gas assets transferred. There was no investing activity for the three months ended September 30, 2013.

For the nine months period ended September 30, 2014, the Company has used $135,815 cash in financing activities compared to generating $400,780 in the same period in 2013.

The Company must generally undertake certain ongoing expenditures in connection with rebuilding, expanding and developing its oil and gas business and related acquisition activity and its business acquisition activities, and for various past and present legal, accounting, consulting, and technical review, and to perform due diligence for the acquisition and development programs for both lines of business; furthering research for new and ongoing business prospects, and in pursuing capital financing for its existing available rights and proposed operations.

Management has estimated that cost for initially paying down certain of the Company's recent debt, providing necessary working capital, and activating development of its current plans for domestic oil and gas segment operations, alternative energy division, acquisition and development, will initially require $5,000,000 to $35,000,000 during the next six to twelve months.

The Company may elect to reduce or increase its requirement as circumstances dictate. We may elect to revise our plans and requirements for funds depending on factors including; changes in acquisition and development estimates; interim corporate and project finance requirements; unexpected timing of markets as to cyclical aspects as a whole; currency and exchange rates; project availability with respect to interest and timing factors indicated from parties representing potential sources of capital; structure and status of our strategic alliances, potential joint venture partners, and or our targeted acquisitions and or interests.

The Company cannot predict that it will be successful in obtaining funding for its plans or that it will achieve profitability in fiscal 2014.

ITEM 3. – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 under the Exchange Act and therefore we are not required to provide the information required under this item.

ITEM 4(T) – CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2014. This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based on this evaluation, these officers have concluded that there are material weaknesses in our disclosure controls and procedures and they were not effective for the following reasons:

- Due to our relatively small size and not having present operations, we do not have segregation of duties which is a deficiency in our disclosure controls. We do not presently have the resources to cure this deficiency.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Principal Executive Officer and Principal Accounting Officer, to allow timely decisions regarding required disclosure.

All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial reporting reliability and financial statement preparation and presentation. In addition, projections of any evaluation of effectiveness to future periods are subject to risk that controls become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may deteriorate.

(b) Changes in Internal Controls over financial reporting

There have been no changes in our internal controls over financial reporting during our last fiscal quarter, which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. – LEGAL PROCEEDINGS

Currently, and from time to time, we are involved in litigation incidental to the conduct of our business. We are not a party to any lawsuit or proceedings that, in the opinion of our management and based on consultation with legal counsel, is likely to have a material adverse effect on our financial position or results of operations.

In August the Company entered into a settlement agreement with the Securities and Exchange Commission and has charged to accrued expenses $50,000 during the quarter ended June 30, 2014.

ITEM 1A. – RISK FACTORS

There have been no material changes in our risk factors from those disclosed in our Form 10-K for the fiscal year ended December 31, 2013.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Required information has been furnished in current Report(s) on Form 8-K filings and other reports, as amended, during the period covered by this Report.

Please see information contained in our Annual Report on Form 10-K filed on April 15, 2014.

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 – (REMOVED AND RESERVED)

ITEM 5 – OTHER INFORMATION

The Company, and through its majority owned subsidiary Boomerang Oil, Inc. is presently in different stages of review and discussion, gathering data and information, and any available reports on other potential acquisitions in Texas, Montana, and other productive regions and areas in the U.S.

For more information on the Company's majority owned subsidiary Boomerang Oil, Inc. please see information listed at the following link http://thecse.com/CNSX/Listing/Company-Filings/CSE-Filings.aspx?Symbol=BOI .

From time to time Management will examine oil and gas operations in other geographical areas for potential acquisition and joint venture development.

ITEM 6. – EXHIBITS

31.1	Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101 INS	XBRL Instance Document*
101 SCH	XBRL Schema Document*
101 CAL	XBRL Calculation Linkbase Document*
101 DEF	XBRL Definition Linkbase Document*
101 LAB	XBRL Labels Linkbase Document*
101 PRE	XBRL Presentation Linkbase Document*

* The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 8, 2015

Mondial Ventures, Inc.

/s/ Dennis Alexander
Dennis Alexander
Chief Executive Officer and
Chairman of the Board of Directors

CERTIFICATIONS

I, Dennis Alexander, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mondial Ventures, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting; and

Date: June 8, 2015

/s/ Dennis Alexander
Dennis Alexander
Chief Executive Officer

CERTIFICATIONS

I, Joanne M. Sylvanus, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mondial Ventures, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting; and;

Date: June 8, 2015

/s/ Joanne M. Sylvanus
Joanne M. Sylvanus
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mondial Ventures Inc. (the "Company") on Form 10-Q for the period ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Dennis R Alexander, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 8, 2015

/s/ Dennis Alexander
Dennis Alexander
Chief Executive Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Mondial Ventures Inc. (the "Company") on Form 10-Q for the period ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Joanne Sylvanus, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 8, 2015

/s/ Joanne M. Sylvanus
Joanne M. Sylvanus
Chief Financial Officer