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

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2015

OR

/_/ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to ___________________.

Commission file number: 000-51425

T-Rex Oil, Inc.

(Exact name of registrant as specified in its charter)

Colorado	98-0422451
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

520 Zang Street, Suite 250
Broomfield, CO 80021
(Address of principal executive offices)
(720) 502-4483
(Registrant's telephone number, including area code)

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	[x]		No	[_]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes	[_]		No	[_]

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

Large accelerated filer		[_]	Accelerated filer	[_]
Non-accelerated filer		[_]	Smaller reporting company	[x]
(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	[x]

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes	[x]		No	[_]

As of February 16, 2016, T-Rex Oil, Inc. has 15,978,075 shares of $0.001 par value common stock outstanding.

Table of Contents

ITEM 1. FINANCIAL STATEMENTS

T-Rex Oil, Inc. and Subsidiaries

Consolidated Balance Sheets

	December 31, 2015 (Unaudited)	March 31, 2015 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 359,791	$ 636,542
Accounts receivable, trade	17,481	35,660
Loan to affiliate	28,000	50,000
Prepaids	35,280	46,938
Total current assets	440,552	769,140
Property and equipment		
Oil and gas properties, successful efforts method of accounting		
Proved	9,370,226	10,003,625
Unproved	7,859,844	8,087,991
Other	396,236	396,355
Total property and equipment	17,626,306	18,487,971
Less accumulated depreciation, depletion, amortization and accretion	3,513,225	3,000,940
Net property and equipment	14,113,081	15,487,031
Other assets		
Deposits and other assets	275,620	294,715
Total other assets	275,620	294,715
Total assets	$ 14,829,253	$ 16,550,886
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 545,477	$ 660,901
Asset retirement obligations, current	173,878	163,389
Notes payable	722,065	1,934,953
Total current liabilities	1,441,420	2,759,243
Long-term liabilities		
Asset retirement obligations, net of current	294,132	295,905
Total liabilities	1,735,552	3,055,148
Commitments and Contingencies	-	-
STOCKHOLDERS' EQUITY		
Preferred shares, $.001 par value, 50,000,000 shares authorized; 275,000 and 0 shares issued and outstanding at December 31 2015 and March 31, 2015, respectively	275	-
Common shares, $0.001 par value, 275,000,000 shares authorized; 15,978,075 and 15,295,025 shares issued and outstanding at December 31, 2015 and March 31,2015, respectively	15,978	15,295
Additional paid in capital	27,129,525	24,537,415
Subscription receivable	(53,038)	-
Preferred stock subscribed	53,038	-
Accumulated deficit	(14,052,077)	(11,056,972)
Stockholders' equity	13,093,701	13,495,738
Total liabilities and stockholders' equity	$ 14,829,253	$ 16,550,886

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

T-Rex Oil, Inc. and Subsidiaries

Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended December 31, 2015	2014
Revenues		
Oil and gas sales	$ 102,612	$ -
Total revenues	102,612	-
Operating expenses:		
Lease operating expense	143,356	-
Production taxes	50,025	-
General and administrative expense	1,124,821	200,835
Explorations expense	(18,842)	26,031
Depreciation, depletion, amortization and accretion	297,367	2,452
Total operating expenses	1,596,727	229,318
Loss from operations	1,494,115	229,318
Other income (expense)		
Interest expense	(10,364)	-
Interest income	74	-
Total other income (expense)	(10,290)	-
Loss before income taxes	(1,504,405)	(229,318)
Income taxes	-	-
Net loss	(1,504,405)	(229,318)
Net loss per common share		
Basic and diluted	$ (0.09)	$ (0.12)
Weighted average number of common shares	15,942,466	1,870,488

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

T-Rex Oil, Inc. and Subsidiaries
(Formerly Rancher Energy Corp)
Consolidated Statements of Operations
(Unaudited)

	For the Nine Months Ended December 31, 2015	2014
Revenues		
Oil and gas sales	$ 390,705	$ -
Total revenues	390,705	-
Operating expenses:		
Lease operating expense	280,654	-
Production taxes	98,640	-
General and administrative expense	2,267,604	1,398,949
Asset impairment	-	27,368
Exploration expense	(59,464)	91,898
Depreciation, depletion, amortization and accretion	762,948	3,719
Total operating expenses	3,350,382	1,521,934
Loss from operations	2,959,677	1,521,934
Other income (expense)		
Interest expense	(79,739)	-
Gain on disposition of assets	44,100	-
Interest income	211	-
Total other income (expense)	(35,428)	-
Loss before income taxes	(2,995,105)	(1,521,934)
Income taxes	-	-
Net loss	(2,995,105)	(1,521,934)
Net loss per common share		
Basic and diluted	$ (0.19)	$ (1.66)
Weighted average number of common shares	15,702,037	914,368

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

T-Rex Oil, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended December 31, 2015	2014
OPERATING ACTIVITIES		
Net loss attributable to common stockholders	$ (2,995,105)	$ (1,521,934)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation, depletion, amortization and accretion	762,948	3,719
Impairment of asset	-	27,368
Shareholder's non-cash contribution	-	200,000
Shareholder's non-cash contribution, related party	-	750,000
Gain on disposition of assets	(44,100)	-
Equity based compensation	650,568	173
Changes in:		
Accounts receivable, trade	18,179	-
Prepaids	11,658	4,932
Accounts payable and accrued liabilities	(69,627)	18,354
Net cash (used in) operating activities	(1,665,479)	(517,388)
INVESTING ACTIVITIES		
Additions to oil and gas properties	(171,192)	(1,663,575)
Additions to non oil and gas properties	(9,539)	(9,103)
Loans to affiliates, net of repayments	22,000	-
Acquisition of Rancher Energy Corp, cash acquired	-	905,171
Proceeds from sale of mineral interest	30,000	-
Additions to other assets	39,132	(11,585)
Net cash (used in) investing activities	(89,599)	(779,092)
FINANCING ACTIVITIES		
Shareholders' cash contributions	-	2,195,700
Sale of shares and warrants	1,922,500	-
Repayment of notes payable	(444,173)	-
Net cash provided by financing activities	1,478,327	2,195,700
NET CHANGE IN CASH	(276,751)	899,220
CASH, Beginning	636,542	165,715
CASH, Ending	$ 359,791	$ 1,064,935
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:		
Issuance of shares for property	$ -	$ 95,740
Issuance of shares for debt	$ 20,000	$ -
Transfer of property for debt	$ 393,795	$ -
Subscription receivable	$ 53,038	$ -
Interest paid	$ 71,170	$ -
Income taxes paid	$ -	$ -

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

T-Rex Oil, Inc. and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity

(Unaudited)

	Preferred Shares $.001 Par Value		Common Shares $.001 Par Value			Preferred	Additional		Total
					Subscription	Stock	Paid-in	Accumulated	Stockholc
	Shares	Amount	Shares	Amount	Receivable	Subscribed	Capital	(Deficit)	Equity
BALANCES, April 1, 2015	-	$ -	15,295,025	$ 15,295	$ -	$ -	$ 24,537,415	$ (11,056,972)	$ 13,495
Sale of shares for cash at $2.15 per share	-	-	664,590	664	-	-	1,344,336	-	1,345
Sale of shares for cash at $2.50 per share	-	-	11,000	11	-	-	27,489	-	27
Sale of shares for cash at $1.57 per share	275,000	275	-	-	-	-	431,625	-	431
Sale of warrants for cash at $0.43 per warrant	-	-	-	-	-	-	118,100	-	118
Preferred stock subscribed	-	-	-	-	(53,038)	53,038	-	-	
Issuance of shares for debt	-	-	8,000	8	-	-	19,992	-	20
Equity based compensation	-	-	-	-	-	-	650,568	-	650
Net loss for the period	-	-	-	-	-	-	-	(2,995,105)	(2,995,
BALANCES, December 31, 2015	275,000	$ 275	15,978,615	$ 15,978	$ (53,038)	$ 53,038	$ 27,129,525	$ (14,052,077)	$ 13,093

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

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

Note 1 - Organization and History

T-Rex Oil, Inc. (the "Company") was incorporated in Colorado on September 2, 2014. Rancher Energy Corp was incorporated in Nevada on February 2, 2004. Effective October 20, 2014, T-Rex Oil, Inc. and Rancher Energy Corp were merged under the laws of the State of Colorado and T-Rex Oil, Inc. became the surviving entity. Effective October 29, 2014, the Company authorized 50,000,000 shares of preferred stock in addition to its common stock and completed a reverse split of its common stock, issued and outstanding, on a one (1) new share for three hundred fifty (350) old shares basis.

The Company is currently engaged in the acquisition, exploration, and if warranted, development of oil and gas prospects in the Rocky Mountain and Mid Continent regions. Prior to August 2014, the Company had minimal operations that were focused mainly on administrative activities, the identification of potential oil and gas prospects and one prospect participation in Colorado that was rescinded in June 2014.

On December 22, 2014, the Company acquired 100% of the issued and outstanding common stock of Terex Energy Corporation ("Terex") pursuant to Exchange Agreements with the shareholders of Terex. Terex was incorporated in the State of Colorado in February 2014 and is headquartered in Broomfield, Colorado. Pursuant to the Exchange Agreements, the Company issued 7,385,700 shares of its restricted common stock for 100% of the issued and outstanding common stock of Terex. The shares were exchanged on a one for one basis. As a result, Terex has become a wholly-owned subsidiary of the Company. T-Rex Oil, Inc. is the legal acquirer and Terex is the legal acquiree. However under accounting rules, since the Company is a public company, which had nominal activity, the acquisition is treated as a recapitalization of Terex. Therefore, Terex is the accounting acquirer in the transaction since Terex's shareholders and management gained control of T-Rex Oil, Inc. and T-Rex Oil, Inc. is the accounting acquiree. On August 19, 2014, prior to entering into the Exchange Agreements, Terex had purchased 371,004 shares from the Company. After such purchase, Terex owned approximately 52% of the issued and outstanding common stock of the Company. As part of the December 22, 2014 transaction, Terex surrendered its ownership of the 371,004 shares of T-Rex Oil, Inc. common stock and as a result such shares have been canceled.

On February 24, 2015, the Company entered into a Share Exchange Agreement with Western Interior Oil & Gas Corporation, a Wyoming private oil and natural gas company ("Western Interior") and the shareholders of Western Interior. Under the Share Exchange Agreement the Company exchanged 7,465,168 shares of its restricted common stock for 170,878 shares of the issued and outstanding common stock of Western Interior thereby owning 83% of Western Interior. The acquisition was closed on March 27, 2014 and became effective March 31, 2015. In addition, the Company agreed to appoint two nominees of Western Interior to the Company's Board of Directors at a future date. On March 31, 2015, the Company entered into an amendment to the Share Exchange Agreement whereby the Company assumed certain repurchase agreements between Schwaben Kapital GmbH, Western Interior and its dissident shareholders and as a result acquired the remaining 17% of Western Interior. As part of these agreements, the Company assumed certain promissory notes issued to the dissenting shareholders in the total amount of $1,770,047 that are secured by Western Interior assets. As a result, Western Interior has become a wholly-owned subsidiary of the Company.

As a result of these acquisitions, the Company has interests in oil and gas properties that are discussed hereafter and intends to strive to be a low cost and effective producer of hydrocarbons and to develop the business model and corporate strategy as discussed herein. The Company is focused on the acquisition, exploration, development and production of oil and natural gas. Through acquisition the Company has acquired oil and natural gas properties located in the central and western United States, mainly the Rocky Mountain region. Our goal is to drill and produce oil and gas cost effectively, by concentrating our efforts in proven oil rich areas where we have in-house geologic and operating experience. The industry is going through major changes due to the drop in the global price of oil over the past 18 months. Due the size and scope of expenditures of many exploration and production companies, it is no longer feasible for them to operate and they are no longer able to service the debt that was incurred to fund these operations without raising additional capital or pledging additional assets. This and other related events have created opportunities to acquire quality production and leases at value pricing and operate them at a profit within the current pricing environment.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

The Company's strategy that has grown in prominence and application with respect to petroleum is to use a development program approach. The Company describes its development plan approach as a set of techniques utilizing the injection of specific fluids such as: water, steam, natural gas, carbon dioxide, nitrogen, and various chemicals and surfactants intended to increase the amount of oil that can ultimately be extracted from any oil field. Many oil exploration and production companies are using development program approaches to maximize the potential of old oil fields.

The Company's business operations are in the development and production of oil and gas including unconventional natural gas, in the Rocky Mountain region of the continental United States; specifically in the Rocky Mountain areas of Utah, Colorado, Wyoming and Nebraska.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated statements of operations for the three and nine months ended December 31, 2014 and the consolidated statement of cash flows for the nine months ended December 31, 2014 includes only the accounts of Terex Energy Corporation for the period through December 22, 2014. The accompanying consolidated balance sheets at December 31, 2015 and March 31, 2015 and the consolidated statements of operations for the three and nine months ended December 31, 2015 and the consolidated statement of cash flows for the nine months ended December 31, 2015 include the accounts of Terex Energy Corporation, T-Rex Oil, Inc. and Western Interior Oil and Gas Corporation. All intercompany balances have been eliminated during consolidation.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates include the fair value of assets and liabilities, oil and natural gas reserves, income taxes and the valuation allowances related to deferred tax assets, asset retirement obligations and contingencies.

Change in Accounting Principle

The Company disclosed in its unaudited financial statements for the three and six months ended September 30 2014 as filed in its Form 10Q with the Securities and Exchange Commission on November 19, 2014 that it changed its method of accounting from the successful efforts to the full cost method of accounting for its oil and natural gas operations and, as such pursuant to ASC Topic 250 and ASC Topic 932 further disclosed there was no retroactive restatement of financial statements for the relative periods as there were no oil and natural gas capitalized costs or operations incurred to date by the Company.

However, as disclosed in the Company's filing of Form 8-K with the SEC on April 1, 2015, the Company acquired 83% of the outstanding common stock of Western Interiors Oil and Gas Corporation on March 28, 2015, effective March 31, 2015, in a stock for stock Exchange Agreement. As such, Western Interior is an oil and gas company that follows the successful efforts method of accounting for its oil and gas operations.

Therefore, management believes it is in the best interest of the Company that, as a result of the acquisition of Western Interior, the Company changes the accounting for its oil and gas operations back to the successful efforts from the full cost method of accounting. As a result of this change in accounting principle, there was no change in the carrying amount of its oil and gas properties on its balance sheet at March 31, 2014 or in its statement of operations for the year ended March 31, 2014.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

Cash and Cash Equivalents

The Company considers all liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits and money market funds carried at cost which approximates fair value. The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), although such deposits are in excess of the insurance coverage. At December 31, 2015, the Company had $109,791 of cash deposits in excess of FDIC insured limits.

Concentration of Credit Risk

The Company's producing properties are primarily located in Wyoming and the oil and gas production is sold to various purchasers based on market index prices. The risk of non-payment by these purchasers is considered minimal and the Company does not generally obtain collateral for sales. The Company continually monitors the credit standing of the primary purchasers.

During the three and nine months ended December 31, 2015, one purchaser accounted for 83.9% and 74.9% of total revenues, respectively.

Oil and Gas Producing Activities

The Company uses the successful efforts method of accounting for oil and gas activities. Under this method, the costs of productive exploratory wells, all development wells, related asset retirement obligation assets, and productive leases are capitalized and amortized, principally by field, on a units-of-production basis over the life of the remaining proved reserves. Exploration costs, including personnel costs, geological and geophysical expenses, and delay rentals for oil and gas leases are charged to expense as incurred. Exploratory drilling costs are initially capitalized, but charged to expense if and when the well is determined not to have found reserves in commercial quantities. The sale of a partial interest in a proved property is accounted for as a cost recovery, and no gain or loss is recognized as long as this treatment does not significantly affect the units-of-production amortization rate. A gain or loss is recognized for all other sales of producing properties. There were capitalized costs of $9,370,226 and $10,003,625 at December 31, 2015 and March 31, 2015, respectively.

Unproved oil and gas properties are assessed annually to determine whether they have been impaired by the drilling of dry holes on or near the related acreage or other circumstances, which may indicate a decline in value. When impairment occurs, a loss is recognized. When leases for unproved properties expire, the costs thereof, net of any related allowance for impairment, is removed from the accounts and charged to expense. During the three and nine months ended December 31, 2015 and 2014, there was no impairment to unproved properties. The sale of a partial interest in an unproved property is accounted for as a recovery of cost when substantial uncertainty exists as to the ultimate recovery of the cost applicable to the interest retained. A gain on the sale is recognized to the extent that the sales price exceeds the carrying amount of the unproved property. A gain or loss is recognized for all other sales of unproved properties. There were capitalized costs of $7,859,844 and $8,087,991 at December 31, 2015 and March 31, 2015, respectively.

Costs associated with development wells that are unevaluated or are waiting on access to transportation or processing facilities are reclassified into developmental wells-in-progress ("WIP"). These costs are not put into a depletable field basis until the wells are fully evaluated or access is gained to transportation and processing facilities. Costs associated with WIP are included in the cash flows from investing as part of investment in oil and gas properties. There were no capitalized developmental costs included in WIP at December 31, 2015 and March 31, 2015, respectively.

Depreciation, depletion and amortization of proved oil and gas properties is calculated using the units-of-production method based on proved reserves and estimated salvage values. Depreciation, depletion and amortization expense on oil and gas properties were recorded in the amount of $279,945 and $0 for the three months ended December 31, 2015 and 2014, respectively and $709,844 and $0 for the nine months ended December 31, 2015 and 2014, respectively.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

The Company reviews its proved oil and natural gas properties for impairment whenever events and circumstances indicate that a decline in the recoverability of its carrying value may have occurred. It estimates the undiscounted future net cash flows of its oil and natural gas properties and compares such undiscounted future cash flows to the carrying amount of the oil and natural gas properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, the Company will adjust the carrying amount of the oil and natural gas properties to fair value. There was no impairment to proved properties for the three and nine months ended December 31, 2015 and 2014, respectively.

Other Property and Equipment

Other property and equipment, such as computer hardware and software, are recorded at cost. Costs of renewals and improvements that substantially extend the useful lives of the assets are capitalized. Maintenance and repair costs are expensed when incurred. When other property and equipment is sold or retired, the capitalized costs and related accumulated depreciation are removed from their respective accounts. Depreciation expense of other property and equipment was $9,404 and $2,452 for the three months ended December 31, 2015 and 2014, respectively and $29,197 and $3,719 for the nine months ended December 31, 2015 and 2014, respectively.

Asset Retirement Obligations

The Company records estimated future asset retirement obligations ("ARO") related to its oil and gas properties. The Company records the estimated fair value of a liability for ARO in the period in which it is incurred with a corresponding increase in the carrying amount of the related long-lived asset. The increased carrying value is depleted using the units-of-production method, and the discounted liability is increased through accretion over the remaining life of the respective oil and gas properties.

The estimated liability is based on historical industry experience in abandoning wells, including estimated economic lives, external estimates as to the cost to abandon the wells in the future, and federal and state regulatory requirements. The Company's liability is discounted using management's best estimate of its credit-adjusted, risk-free rate. Revisions to the liability could occur due to changes in estimated abandonment costs, changes in well economic lives, or if federal or state regulators enact new requirements regarding the abandonment of wells.

A reconciliation of the changes in the Company's liability is as follows:

	For the Nine Months Ended December 31, 2015	For the Nine Months Ended December 31, 2014
ARO - beginning of period	$ 459,294	$ -
Additions	-	-
Deletions	(15,190)	-
Accretion expense	23,906	-
	468,010	-
Less current portion	173,878	-
ARO - end of period	$ 294,132	$ -

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

Impairment of Long-Lived Assets

In accordance with authoritative guidance on accounting for the impairment or disposal of long-lived assets, as set forth in Topic 360 of the ASC, the Company assesses the recoverability of the carrying value of its non-oil and gas long-lived assets when events occur that indicate an impairment in value may exist. An impairment loss is indicated if the sum of the expected undiscounted future net cash flows is less than the carrying amount of the assets. If this occurs, an impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. During the nine months ended December 31, 2014, an event occurred that resulted in an impairment of other property and equipment (the carrying value of a vehicle was less than its cost) in the amount of $27,368.

Revenue Recognition

The Company recognizes oil revenues when production is sold to a purchaser, delivery occurs and title is transferred. The Company recognizes natural gas revenues when the title and risk pass to the purchaser. The Company records its share of revenues based on its share of proceeds. The Company sells the majority of its products soon after production at various locations, including the wellhead, at which time title and risk of loss pass to the buyer. The Company had no revenue from operations during the three and nine months ended December 31, 2014.

Other Comprehensive Loss

The Company has no material components of other comprehensive loss and accordingly, net loss is equal to comprehensive loss for the period.

Income Taxes

The Company uses the liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the accounting bases and the tax bases of the Company's assets and liabilities. The deferred tax assets and liabilities are computed using enacted tax rates in effect for the year in which the temporary differences are expected to reverse.

The Company assessed the likelihood of utilization of the deferred tax asset, in light of the recent losses. Also, the Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized. As a result of this analysis, the deferred tax asset in the amount of $2,400,600 has been fully reserved at December 31, 2015.

On August 19, 2014, Terex Energy Corporation acquired 52% of the outstanding common stock of T-Rex Oil Inc. and thus T-Rex had a change of control event under IRC Section 382, which will limit T-Rex's ability to utilize its deferred tax assets, including net operating loss carryforwards, to offset future taxable income. T-Rex has net operating loss carryforwards of approximately $42,000,000 which will begin to expire in 2024.

On December 22, 2014, T-Rex acquired 100% of the outstanding common stock of Terex and Terex did not have a change of control event under IRC Section 382. Terex has net operating loss carryforwards of approximately $425,000 which will begin to expire in 2034.

The Company has adopted ASC guidance regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the consolidated financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the consolidated financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At December 31, 2015, there were no uncertain tax positions that required accrual.

Business Combination

The Company accounts for acquisitions in accordance with guidance found in ASC 805, Business Combinations. The guidance requires consideration given, including contingent consideration, assets acquired and liabilities assumed to be valued at their fair values at the date of acquisition. The guidance further provides that acquisition costs will generally be expenses as incurred and changes in deferred tax asset valuations and income tax uncertainties after the acquisition date generally will affect income tax expense.

ASC 805 requires that any excess of purchase price over the fair value of assets acquired, including identifiable intangibles and liabilities assumed be recognized as goodwill and any excess of fair value of acquired net assets, including identifiable intangible assets over the acquisition consideration results in a gain from bargain purchase. Prior to recording a gain, the acquiring entity must reassess whether ass acquired assets and assumed liabilities have been identified and recognized and perform re-measurements to verify that the consideration paid, assets acquired and liabilities assumed have been properly valued.

Net Loss per Share

Basic net loss per common share of stock is calculated by dividing net loss available to common stockholders by the weighted-average number of common shares outstanding during each period.

Diluted net loss per common share is calculated by dividing net loss by the weighted-average number of common shares outstanding, including the effect of other dilutive securities. The Company's potentially dilutive securities consist of in-the-money outstanding options and warrants to purchase the Company's common stock. Diluted net loss per common share does not give effect to dilutive securities as their effect would be anti-dilutive.

The treasury stock method is used to measure the dilutive impact of stock options and warrants. The following table details the weighted-average dilutive and anti-dilutive securities related to stock options and warrants for the periods presented:

	For the Nine Months Ended December 31,	
	2015	2014
Dilutive	-	-
Anti Dilutive	2,089,367	-

Equity Based Payments

The Company recognizes compensation cost for equity based awards based on estimated fair value of the award and records capitalized cost or compensation expense over the requisite service period. See Note 7 - Equity Based Payments.

Beneficial Conversion Feature and Deemed Dividend Related to Series A Shares

Pursuant to ASC 470-20, when the $359,916 of convertible Series A Shares of preferred stock were issued at a discount from the if-converted $431,900 fair value as of the issuance date, the Company recognized this difference between the fair value per share of its common stock and the conversion price, multiplied by the number of shares issuable upon conversion. This Beneficial Conversion Feature of $71,894 will be recorded as additional paid-in-capital for common shares.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

The offsetting amount will be amortizable over the period from the issue date to the first conversion date or 9 months. Since the 275,000 Series A Shares of preferred stock are convertible during July of 2016, a deemed dividend of $19,996 to the Series A Shares would have been recorded during the three months ended December 31, 2015. Management has determined this amount is immaterial and therefore will recognize this amortization in the first quarter of 2016. Further, as the Company is in an accumulated deficit position, the deemed dividend will be charged against additional paid-in-capital for common shares, there being no retained earnings from which to declare a dividend.

Off-Balance Sheet Arrangements

As part of its ongoing business, the Company has not participated in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. From its incorporation on February 11, 2014 through December 31, 2015, the Company has not been involved in any unconsolidated SPE transactions.

Recent Accounting Pronouncements

In June 2014, the FASB issued ASU No. 2014-10, *Development Stage Entities (Topic915) - Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*. This standard update is to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities, and as a result removes all incremental financial reporting requirements. This standard update also eliminates 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 the investment equity that is at risk. ASU 2014-10 is effective for annual reporting periods beginning after December 15, 2016, and interim reporting periods beginning after December 15, 2017. Entities are allowed to apply the guidance early for any annual reporting period or interim period for which the entity's financial statements have not yet been issued or made available for issuance. The Company adopted these standards and they did not have a material impact on the Company's consolidated financial statements.

In August 2014, the FASB issued *Update No. 2014-15 - Presentation of Financial Statements - Going Concern* that requires management to evaluate whether there are conditions or events that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the entity's financial statements are issued, or within one year after the date that the entity's financial statements are available to be issued, and to provide disclosures when certain criteria are met. This guidance is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the provisions of this guidance and assessing its impact, but does not currently believe it will have a material effect on the Company's financial statements or disclosures.

In November 2015, the FASB issued ASU No. 2015-17 - *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*. The amendments in ASU 2015-17 eliminates the current requirement for organizations to present deferred tax liabilities and assets as current and in December 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet noncurrent in a classified balance sheet. Instead, organizations will be required to classify all deferred tax assets and liabilities as noncurrent. The amendments may be applied prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. ASU No. 2015-17 is effective for annual periods ending after December 31, 2016 and interim periods thereafter. Early application is permitted. Management is evaluating the impact of applying this standard to its financial statements.

There were other accounting standards and interpretations issued during the three and nine months ended December 31, 2015, none of which are expected to have a material impact on the Company's financial position, operations or cash flows.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

Subsequent Events

The Company evaluates events and transactions after the balance sheet date but before the financial statements are issued.

Note 3 - Going Concern and Managements' Plan

The Company's consolidated financial statements for the three and nine months ended December 31, 2015 has been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company reported a net loss of $2,995,105 for the nine months ended December 31, 2015 and an accumulated deficit of $14,052,077 at December 31, 2015. At December 31, 2015, the Company had a working capital deficit of $947,830.

The future success of the Company is dependent on its ability to attract additional capital and ultimately, upon its ability to develop future profitable operations. There can be no assurance that the Company will be successful in obtaining such financing, or that it will attain positive cash flow from operations. Management believes that actions presently being taken to revise the Company's operating and financial requirements provide the opportunity for the Company to continue as a going concern.

Note 4 - Debt

Promissory Notes

During the three months ended September 30, 2015, the Company paid $341,405 in principal towards the repayment of promissory notes relative to the repurchase of 18,717 shares of Western Interior common stock owned by dissident shareholders as part of agreements effective March 31, 2015 by the Company to repurchase a total of 33,085 shares of Western Interior common stock. The Company at December 31, 2015 owes a balance in the amount of $488,298 on one of the promissory notes plus accrued interest of $8,568 and the remaining three promissory notes have been paid in full. The Company is currently in discussions as to the settlement of the remaining balance.

On August 1, 2015, the Company, relative to the repurchase by the Company on March 31, 2015 of the remaining 14,368 shares of Western Interior common stock entered into an agreement with the note holder to settle the amount owed under the promissory note. As such, the parties agreed the amount owed on such promissory note by the Company would be reduced from $768,715 to $393,795 and the difference of $374,920 be considered a reduction in the purchase price by the Company of the shares of Western Interior common stock. In addition, the $393,795 was paid in full effective August 1, 2015 by the transfer to the note holder of certain oil and gas properties owned by Western Interior.

Line-of-Credit

The Company has a line-of-credit with a bank in the amount of $350,000 collateralized by certain oil and gas properties of the Company. The line-of-credit matures on March 31, 2016. Annual interest is at prime plus 2.50% with a floor of 7%). The Company owes $224,012 at December 31, 2015.

Installment Notes

The Company in November 2015 borrowed $9,754 from unrelated parties to finance their insurance policies. The unsecured notes are repaid at $975 per month including interest at the rate of 5.81% per annum. The Company owes $8,778 at December 31, 2015.

Interest expense relative to debt was $10,364 and $0 for the three months ended December 31, 2015 and 2014, respectively and $79,739 and $0 for the nine months ended December 31, 2015 and 2014, respectively.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

Note 5 - Stockholders' Equity

The Company's capital stock at December 31, 2015 consists of 325,000,000 authorized shares of which 50,000,000 shares are $0.001 par value preferred stock and 275,000,000 shares are $0.001 par value common stock.

Preferred Shares

On October 28, 2015, the Company filed an Amendment to its Articles of Incorporation to designate a class of preferred stock as the Series A Convertible Preferred Stock.

The Amendment sets aside 5,000,000 shares of the authorized 50,000,000 shares of the Company's $0.001 par value preferred stock as the Series A Convertible Preferred Stock ("the Series A Shares.") The Series A Shares are convertible at the option of the Holder into common shares of the Company's stock 9 months after the date of issuance. Further, the Series A Shares have a conversion price based upon 80% of the 10 day average of the Company's closing market price.

Pursuant to ASC 470-20, when the $359,916 of convertible Series A Shares of preferred stock were issued at a discount from the if-converted $431,900 fair value as of the issuance date, the Company recognized this difference between the fair value per share of its common stock and the conversion price, multiplied by the number of shares issuable upon conversion. This Beneficial Conversion Feature of $71,894 will be recorded as additional paid-in-capital for common shares. The offsetting amount will be amortizable over the period from the issue date to the first conversion date or 9 months. Since the 275,000 Series A Shares of preferred stock are convertible during July of 2016, a deemed dividend of $19,996 to the Series A Shares would have been recorded during the three months ended December 31, 2015. Management has determined this amount is immaterial and therefore will recognize this amortization in the first quarter of 2016. Further, as the Company is in an accumulated deficit position, the deemed dividend will be charged against additional paid-in-capital for common shares, there being no retained earnings from which to declare a dividend.

In October 2015, the Company commenced a private placement financing of $7,000,000 in Units, a Unit consisting of one share of its Series A Shares and an Unit Warrant. The Unit Warrant has an exercise price of $3.00 per share and a term of 3 years. The Unit Warrant is exercisable 9 months after issuance and is callable by the Company upon the Company's common stock closing at a market price of $5.00 or above for a period of 10 days.

At December 31, 2015, the Company had received $550,000 of cash in exchange for the issuance of 275,000 shares of its Series A Preferred Stock and Unit Warrants exercisable for 275,000 shares of common stock. At February 12, 2016, the Company had received a total of $763,038 of cash in exchange for the issuance of 381,519 shares of its Series A Preferred Stock and Unit Warrants exercisable for 381,519 shares of common stock.

We apply the guidance enumerated in ASC 480 "*Distinguishing Liabilities from Equity*" when determining the classification and measurement of preferred shares. Preferred shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. We classify conditionally redeemable preferred shares (if any), which includes preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control, as equity. At all other times, we classified our preferred shares in stockholders' equity.
We have applied the guidance of ASC 470 "*Debt*" in accounting for the unit warrants and as such have valued the Unit Warrants using the Black-Scholes option pricing model. The option-pricing model requires a number of assumptions, of which the most significant are the stock price at the valuation date that was $1.50 per share as well as the following assumptions:

Volatility	135 - 112%
Expected Option/Warrant Term	3 years
Risk-free interest rate	.25%
Expected dividend yield	0.00%

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

The expected term of the Unit Warrants granted were estimated to be the contractual term. The expected volatility was based on an average of the volatility disclosed based upon comparable companies who had similar expected option and warrant terms. The risk-free rate was based on the one-year U.S. Treasury bond rate.

As a result, the Unit Warrants exercisable for 275,000 shares of our restricted common stock were valued at $118,100 and as such credited to additional paid in capital.

Common Shares

At December 31, 2015 and March 31, 2015, a total of 15,978,075 and 15,295,025 shares of common stock were issued and outstanding, respectively.

During the nine months ended September 30, 2015, the Company sold 11,000 shares of its restricted common stock as part of a private placement for $27,000 in cash or $2.50 per share. In April 2015, the Company entered into a Subscription Agreement to sell up to 2,800,000 shares of its restricted common stock pursuant to Regulation S of the Securities Act in exchange for funds totaling $6,020,000. In July 2015, the Company and Schwaben Kapital GmbH amended their Subscription Agreement pursuant to Regulation S of the Securities Act to extend the expiration of the Subscription Agreement from June 30, 2015 to September 30, 2015.The Agreement was terminated as of September 30, 2015 and during the nine months ended December 31, 2015, the Company sold 664,590 shares of its restricted common stock as part of the Subscription Agreement for $1,345,000 in cash or $2.15 per share.

During the nine months ended December 31, 2015, the Company issued 8,000 shares of its restricted common stock as payment of an accounts payable in the amount of $20,000 and the Company recognized no gain or loss between the face value of the accounts payable and the fair value of the common stock.

Additional Paid-in Capital
During the nine months ended December 31, 2014, the Company issued 950,000 shares of its common stock to consultants in exchange for services valued at $950,000 or $1.00 per share. The Company also issued 50,000 shares of its common stock for property valued at $50,000 or $1.00 per share. In addition, and as part of a private placement the Company sold 2,195,700 shares of its common stock for cash in the amount of $2,195,700 or $1.00 per share.

During the nine months ended December 31, 2014, the Company realized additional paid in capital relative to the fair value of equity based payments in the amount of $173 which were expensed including $115 from a transaction with a related party. See Note 9 - Related Party Transactions.

Subscription Receivable

In December 2015, the Company received a subscription for 26,519 Series A Shares in exchange for cash of $53.038. The Company received the $53,038 in January of 2016.

Note 6 - Information on Business Segments

At December 31, 2015, the Company considered its business activities to constitute a single segment.

Note 7 - Equity Based Payments

The Company accounts for equity based payment accruals under authoritative guidance as set forth in the Topics of the ASC. The guidance requires all equity based payments to employees and non-employees, including grants of employee and non-employee stock options and warrants, to be recognized in the consolidated financial statements based at their fair values.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

The Black-Scholes option-pricing model is used to estimate the option and warrant fair values. The option-pricing model requires a number of assumptions, of which the most significant are the stock price at the valuation date that ranged from $0.01 to $3.50 per share as well as the following assumptions:

Volatility	89% -98%
Expected Option/Warrant Term	3 years
Risk-free interest rate	.12% - .25%
Expected dividend yield	0.00%

The expected term of the options and warrants granted were estimated to be the contractual term. The expected volatility was based on an average of the volatility disclosed based upon comparable companies who had similar expected option and warrant terms. The risk-free rate was based on the one-year U.S. Treasury bond rate.

<u>2014 Stock Incentive Plan</u>

Effective October 1, 2014, the Company's 2014 Stock Option and Award Plan (the "2014 Stock Incentive Plan") was approved by its Board of Directors. Under the 2014 Stock Incentive Plan, the Board of Directors may grant options or purchase rights to purchase common stock to officers, employees, and other persons who provide services to the Company or any related company. The participants to whom awards are granted, the type of awards granted, the number of shares covered for each award, and the purchase price, conditions and other terms of each award are determined by the Board of Directors, except that the term of the options shall not exceed 10 years. A total of 2 million shares of the Company's common stock are subject to the 2014 Stock Incentive Plan. The shares issued for the 2014 Stock Incentive Plan may be either treasury or authorized and unissued shares.

The following table summarizes the non-qualified stock option and warrant activity at December 31, 2015:

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

	Number of Options/ Warrants		Weighted Average Exercise Price
Outstanding at April 1, 2015			
Options	935,000	$	0.100
Warrants	942,858	$	0.800
Granted			
Options	1,050,250	$	0.100
Warrants	275,000	$	3.000
Exercised			
Options	-	$	-
Warrants	-	$	-
Cancelled			
Options	-	$	-
Warrants	-	$	-
Outstanding at December 31, 2015			
Options	1,985,250	$	0.110
Warrants	1,217,858	$	1.290
Exercisable at December 31, 2015			
Options	1,375,542	$	0.100
Warrants	1,217,858	$	1.290

Weighted average remaining contractual life	Life		Aggregate Intrinsic Value
Options	2.72	$	4,784,500
Warrants	2.65	$	1,536,000

During the nine months ended December 31, 2015, the Company issued options exercisable for a total of 1,050,000 shares of restricted common stock to officers, directors and employees of the Company. The options have an exercise price of $0.10 per share and a term of 3 years. Options exercisable for 450,000 shares issued to employees and directors are fully vested. Options exercisable for 600,000 shares issued to officers, directors and an employee have vesting rates over the remaining life of the options.

The aggregate intrinsic value of outstanding securities is the amount by which the fair value of underlying (common) shares exceeds the amount paid for and the exercise price of the options and warrants issued and outstanding.

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

Note 8 - Commitments and Contingencies

Operating Lease

The Company leases an office space in Colorado at the rate of $4,572 per month and the lease expires in August 2017. In addition, the Company leases an office space in Wyoming at the rate of $5,838 per month and the lease expires in June 2019. Total rent expense under these leases was $33,169 and $13,717 for the three months ended December 31, 2015 and 2014, respectively and $96,526 and $19,290 for the nine months ended December 31, 2015 and 2014.

The following is a schedule of minimum future rental annual payments under the operating lease for the stated fiscal year ends:

3/31/2016	$	30,859
3/31/2017		123,453
3/31/2018		83,111
3/31/2019		62,940
3/31/2020		15,735
	$	316,099

Employment Agreement

The Company's subsidiary, Terex, entered into a three year employment agreement in August 2014 with the Company's Chief Executive Officer and President to serve as its Chief Executive Officer and President that includes compensation of a base salary of $204,000 per year under certain terms and conditions along with an auto allowance of $600 per month.

Consulting Agreement

The Company entered into a three year agreement effective September 1, 2014 with a consultant to perform services at the base rate of $150,000 per year under certain terms and conditions including with an auto allowance of $600 per month. In addition, the consultant has been granted cashless options to acquire up to 500,000 shares of Terex's common stock at an option price of $0.10 per share for a period of three years from April 1, 2014. The options were fully vested at March 31, 2015. See Note 7 - Equity Based Payments.

Note 9 - Related Party Transactions

Equity for Services

On April 1, 2014, an officer and director of the Company was granted options to acquire 100,000 shares of Terex's restricted common stock in exchange for services valued at $115 or $0.0015 per share and $115 was expensed in the statement of operations for the nine months ended December 31, 2014.

Consulting Services

During the nine months ended December 31, 2015 and 2014, the Company paid its officers and directors $0 and $201,327, respectively in fees that were expensed.

T-Rex Oil LLC #1 and #2

The Company is the manager of T-Rex Oil LLC #1 and T-Rex Oil LLC #2 that were formed during December of 2014 for the purpose of drilling and producing oil and gas wells. During the year ended March 31, 2015, the Company loaned T-Rex Oil LLC #1 an amount of $50,000 and at December 31, 2015 the Company is

T-REX OIL, INC. AND SUBSIDIARIES
Notes To The Consolidated Financial Statements
December 31, 2015
(Unaudited)

owed $0. During the nine months ended December 31, 2015, the Company loaned T-Rex Oil LLC #2 an amount of $28,000 and at December 31, 2015 the Company is owed $28,000.

Note 10 - Subsequent Events

T-Rex LLC #3

In January 2016, the Company purchased 4 units of T-Rex Oil LLC #3 ("LLC#3") membership interest and the Company was appointed its Manager. As a result, the Company holds a 16.67% equity interest in LLC#3 and the remaining 83.33% is held by an independent director of the Company.

T-Rex Oil LLC #3 is a Colorado limited liability company which owns 13,826 gross acres (10,000 net acres), including 15 producing wells in Natrona and Converse Counties in Wyoming, currently producing approximately 60 net barrels of oil per day.

Related Party Convertible Notes

On January 14, 2016, the Company issued secured convertible promissory notes ("Notes") to two of its directors in exchange for a total of $100,000 in cash or $50,000 per director. The Notes mature on September 30, 2016 with an interest of rate of 5% per annum. The Notes are convertible into shares of the Company's restricted common stock at an exercise price to be determined by the average consecutive daily trade closing price less 30%. The Notes are secured by the Company's equity interest in LLC#3.

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

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included herein. In connection with, and because we desire to take advantage of, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we caution readers regarding certain forward looking statements in the following discussion and elsewhere in this report and in any other statement made by, or on our behalf, whether or not in future filings with the Securities and Exchange Commission. Forward-looking statements are statements not based on historical information and which relate to future operations, strategies, financial results or other developments. Forward looking statements are necessarily based upon estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and many of which, with respect to future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward looking statements made by, or on our behalf. We disclaim any obligation to update forward-looking statements.

Unless the context requires otherwise, references in this document to "T-Rex Oil", "we", "our", "us" or the "Company" are to T-Rex Oil, Inc. and our subsidiaries.

The independent registered public accounting firm's report on the Company's financial statements as of March 31, 2015, and for each of the years in the two-year period then ended, includes a "going concern" explanatory paragraph, that describes substantial doubt about the Company's ability to continue as a going concern.

PLAN OF OPERATIONS

We are an energy company, focused on the acquisition, exploration, development and production of oil and natural gas. We have acquired oil and natural gas properties located in the western United States, mainly in the Rocky Mountain region. Our goal is to drill and produce oil and gas cost effectively, by concentrating our efforts in proven oil rich areas where we have in-house geologic and operating experience.

Prior to August 2014, we had minimal operations that were focused mainly on administrative activities, the identification of potential oil and gas prospects, and one prospect participation in Colorado that was rescinded in June 2014.

Our approach is to acquire Proved Developed Producing properties. The ideal candidate will also include Proved Undeveloped well sites, which should supply upside development potential ("running room.") Specifically, properties that have the advantage of having established producing oil and/or natural gas wells that have drillable offset locations and have wells that may be shut-in but are candidates for re-working or re-completion, are high priority acquisition targets.

Our acquisition strategy includes taking older wells that are shut in or have lower production results and applies new and existing technologies to work-over and/or recomplete so as to increase production and ultimate recovery. Technologies to be deployed include 3-D seismic imaging to target undeveloped areas of the reservoir that contain remaining primary reserves; horizontal drilling to increase recoveries; as well as secondary and tertiary recovery methods to increase produced reserves.

In line with that strategy effective March 31, 2015, we closed on the acquisition of Western Interior Oil & Gas Corp ("Western Interior"), as our wholly-owned subsidiary. Western Interior has producing and developmental oil and gas properties in southwest central Wyoming.

In January 2016, the Company purchased 4 units of T-Rex Oil LLC #3 membership interest and the Company was appointed its Manager. As a result, the Company holds a 16.67% equity interest in LLC#3 and the remaining 83.33% is held by an independent director of the Company.

T-Rex Oil LLC #3 is a Colorado limited liability company which owns certain 13,826 gross acres (10,000 net acres), including 15 producing wells in Natrona and Converse Counties in Wyoming, currently producing approximately 60 net barrels of oil per day net production.

During 2015 and into the first half of 2016, management intends to focus efforts on not only the exploration of existing properties, but also additional acquisitions to grow production.

Financing Efforts

On April 26, 2015, we entered into a Subscription Agreement for the purchase of shares of its restricted common stock pursuant to Regulation S. Through the termination of the Subscription Agreement (September 30, 2015) and as of December 31, 2015, we received $1,345,000 in funds and issued 664,590 shares of restricted common stock. The Company has used such funds to support operations.

In October 2015, the Company commenced a private placement financing of $7,000,000 in Units, a Unit consisting of 1 share of its Series A Shares and an Unit Warrant. The Unit Warrant has an exercise price of $3.00 per share and a term of 3 years. The Unit Warrant is exercisable 9 months after issuance and is callable by the Company upon the Company's common stock closing at a market price of $5.00 or above for a period of 10 days. The Series A Shares are convertible nine months after issuance at the option of the holder. The Series A Shares do not accrue dividends and have a deemed purchase price of $2.00 per share.

At December 31, 2015, the Company had received $550,000 of cash in exchange for the issuance of 275,000 shares of its Series A Preferred Stock and Unit Warrants exercisable for 275,000 shares of common stock. At February 12, 2016, the Company had received a total of $763,038 of cash in exchange for the issuance of 381,519 shares of its Series A Preferred Stock and Unit Warrants exercisable for 381,519 shares of common stock.

On January 14, 2016, the Company issued secured convertible promissory notes ("Notes") to two of its directors in exchange for a total of $100,000 in cash or $50,000 per director. The Notes mature on September 30, 2016 with an interest of rate of 5% per annum. The Notes are convertible into shares of the Company's restricted common stock at an exercise price to be determined by the average consecutive daily trade closing price less 30%. The Notes are secured by the Company's equity interest in LLC#3.

We will require substantial additional capital to support our existing and proposed future operations. We have only during the second calendar quarter of 2015, started realizing reoccurring and consistent revenue, although insufficient to fully support current operations. We have no committed source for any additional funds as of the date hereof. No representation is made that any funds will be available when needed. In the event funds cannot be raised when needed, we may not be able to carry out our business plan, may never achieve sales or royalty income, and could fail in business as a result of these uncertainties.

Decisions regarding future prospect acquisitions or other participation activities will be made on a case-by-case basis. We may, in any particular case, decide to participate or decline participation. If participating, we may pay our proportionate share of costs to maintain our proportionate interest through cash flow or debt or equity financing. If participation is declined, we may elect to farmout, non-consent, sell or otherwise negotiate a method of cost sharing in order to maintain some continuing interest in the prospect.

Results of Operations

Results of Operations For The Three Months Ended December 31, 2015 Compared To The Three Months Ended December 31, 2014

Overview. During the three months ended December 31, 2015, the Company recognized a net loss of $1,504,405 compared to a net loss of $229,318 for the three months ended December 31, 2014. The increase of $1,278,087 is primarily the result of an increase in oil sales offset by an increase in operational activities and the acquisition of Western Interior. Discussions of individually significant line items follow:

Revenues: During the three months ended December 31, 2015 the Company recognized revenues of $102,612. During the three months ended December 31, 2014, the Company did not recognize revenues from its oil and gas operational activities. During the three months ended December 31, 2105, the Company sold approximately 3,065 barrels of oil at an average price of $33.48 per barrel during the period. Management expects to see increases in its productions numbers as work on producing wells continues.

Operating Expenses: During the three months ended December 31, 2015, the Company had an increase of $1,367,409 in total operating expenses as a result of the following:

An increase in costs of $193,381 related to its oil and gas operational activities as result of its acquisition of Western Interior. General and administrative expenses increased by $923,986 primarily as a result of issuance of options exercisable into shares of the Company's common stock valued at $650,568. Depletion, depreciation, amortization and accretion increased by $294,915 as a result of its acquisition of Western Interior oil and gas properties with a decrease in exploration costs $44,873 due to the Company focusing on efforts of existing producing wells and a decrease in asset impairment of $27,368.

Results of Operations For The Nine Months Ended December 31, 2015 Compared To The Nine Months Ended December 31, 2014

Overview. During the nine months ended December 31, 2015, the Company recognized a net loss of $2,995,105 compared to a net loss of $1,521,934 for the nine months ended December 31, 2014. The increase of $1,473,171 is primarily the result of an increase in oil sales offset by an increase in operational activities and the acquisition of Western Interior. Discussions of individually significant line items follow:

Revenues: During the nine months ended December 31, 2015, the Company recognized revenues of $390,705. During the nine months ended December 31, 2014, the Company did not recognize revenues from its oil and gas operational activities. During the nine months ended December 31, 2105, the Company sold approximately 12,766 barrels of oil at an average price of $30.61 per barrel during the period. Management expects to see increases in its productions numbers as it takes over the management of the operations of the wells held by LLC#3.

Operating Expenses: During the nine months ended December 31, 2015, the Company had an increase of $1,828,448 in total operating expenses as a result of the following:

An increase in costs of $379,294 related to its oil and gas operational activities as result of its acquisition of Western Interior. General and administrative expenses increased by $868,655 primarily as a result of the issuance of options exercisable into shares of the Company's common stock valued at $650,568 during the nine months ended December 31, 2015. Depletion, depreciation, amortization and accretion increased by $759,229 as a result of its acquisition of Western Interior oil and gas properties with a decrease in exploration costs $151,362 due to the Company focusing on efforts of existing producing wells and a decrease in asset impairment of $27,368.

Liquidity and Capital Resources

We have incurred a net loss of $2,995,105 for the nine months ended December 31, 2015 and have had a limited operating history.

On April 26, 2015, we entered into a Subscription Agreement for the purchase of shares of its restricted common stock pursuant to Regulation S. Through the termination of the Subscription Agreement as of September 30, 2015, we received $1,345,000 in funds and issued 664,590 shares of restricted common stock. The Company has used these funds to support ongoing operations.

In October 2015, the Company commenced a private placement financing of $7,000,000 in Units, a Unit consisting of 1 share of its Series A Shares and an Unit Warrant. The Unit Warrant has an exercise price of $3.00 per share and a term of 3 years. The Unit Warrant is exercisable 9 months after issuance and is callable by the Company upon the Company's common stock closing at a market price of $5.00 or above for a period of 10 days. The Series A Shares do not accrue dividends and have a deemed purchase price of $2.00 per share.

At December 31, 2015, the Company had received $550,000 of cash in exchange for issuance of 275,000 shares of its Series A Preferred Stock and Unit Warrants exercisable for 275,000 shares of common stock. At February 12, 2016, the Company had received a total of $763,038 of cash in exchange for the issuance of 381,519 shares of its Series A Preferred Stock and Unit Warrants exercisable for 381,519 shares of common stock.

On January 14, 2016, the Company issued secured convertible promissory notes ("Notes") to two of its directors in exchange for a total of $100,000 in cash or $50,000 per director. The Notes mature on September 30, 2016 with an interest of rate of 5% per annum. The Notes are convertible into shares of the Company's restricted common stock at an exercise price to be determined by the average consecutive daily trade closing price less 30%. The Notes are secured by the Company's equity interest in LLC#3.

The Company will need substantial additional capital to support its proposed future energy operations. We have only begun to recognize revenues and they are not sufficient to support operations. The Company has no committed source for any funds but as of December 31, 2015, we have $359,791 in cash. No representation is made that any funds will be available when needed. In the event funds cannot be raised when needed, we may not be able to carry out our business plan or may never achieve sales sufficient to support our operations.

Decisions regarding future participation in oil and gas development or geophysical studies or other activities will be made on a case-by-case basis. We may, in any particular case, decide to participate or decline participation. If participating, we may pay our proportionate share of costs to maintain our proportionate interest through cash flow or debt or equity financing. If participation is declined, we may elect to farmout, non-consent, sell or otherwise negotiate a method of cost sharing in order to maintain some continuing interest in the prospect.

The Company used cash flows in operations of $1,665,479 during the nine months ended December 31, 2015 that was adjusted by non-cash items including: depreciation, depletion, amortization and accretion of $762,948, equity based compensation of $650,568 and gain on disposition of assets of $44,100.
The Company used cash flows in investing activities of $89,599 during the nine months ended December 31, 2015 that was primarily comprised of: additions to oil and gas properties of $171,192, additions to non-oil and gas properties of $9,539, loans to affiliates, net of repayments of $22,000, proceeds from the sale of mineral interest of $30,000 and additions to other assets of $39,132.

The Company was provided cash flows from financing activities of $1,478,327 during the nine months ended December 31, 2015 through $1,922,500 from the sale of restricted common stock, Series A Shares and Unit Warrants, net of $444,173 in repayment of notes payable.

Promissory Notes

During the three months ended September 30, 2015, the Company paid $341,405 in principal towards the repayment of promissory notes relative to the repurchase of 18,717 shares of Western Interior common stock owned by dissident shareholders as part of agreements effective March 31, 2015 by the Company to repurchase a total of 33,085 shares of Western Interior common stock. The Company at December 31, 2015 owes a balance in the amount of $488,298 on one of the promissory notes plus accrued interest of $8,568 and the remaining three promissory notes have been paid in full. The Company is currently in discussions as to the settlement of the remaining balance.

On August 1, 2015, the Company relative to the repurchase by the Company on March 31, 2015 of the remaining 14,368 shares of Western Interior common stock entered into an agreement with the note holder to settle the amount owed under the promissory note. As such, the parties agreed the amount owed on such promissory note by the Company would be reduced from $768,715 to $393,795 and the difference of $374,920 be considered a reduction in the purchase price by the Company of the shares of Western Interior common stock. In addition, the $393,795 was paid in full effective August 1, 2015 by the transfer to the note holder of certain oil and gas properties owned by Western Interior.

Line-of-Credit

The Company has a line-of-credit with a bank in the amount of $350,000 collateralized by certain oil and gas properties of the Company. The line-of-credit matures on March 31, 2016. Annual interest is at prime plus 2.50% with a floor of 7%. The Company owes $224,012 at December 31, 2015.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements nor do we have any unconsolidated subsidiaries.

Critical Accounting Policies

Critical accounting policies and estimates are provided in our Annual Report on Form 10-K for the fiscal year ended March 31, 2015, in Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations, and Item 8 - Financial Statements and Supplementary Data. Additional disclosures are provided in Notes to Consolidated Financial Statements (unaudited) which are included in Item 1 - Consolidated Financial Statements to this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item.

Item 4. Controls and Procedures

We conducted an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Acting Chief Accounting Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures also include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. We identified multiple material weaknesses in our internal control over financial reporting and, as a result of this material weakness, we concluded as of December 31, 2015, that our disclosure controls and procedures were not effective.

Internal Control-Integrated Framework

A material weakness is a control deficiency, or combination of control deficiencies, that result in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. As of December 31, 2015 and as determined in the fiscal year ended March 31, 2015, the Company identified the following material weakness:

The Company did not adequately segregate the duties of different personnel within our accounting department due to an insufficient complement of staff and inadequate management oversight.

We have limited accounting personnel with sufficient expertise in generally accepted accounting principles to enable effective segregation of duties with respect to recording journal entries and to allow for appropriate monitoring of financial reporting matters and internal control over financial reporting. Specifically, the Acting Chief Accounting Officer has involvement in the creation and review of journal entries and note disclosures without adequate independent review and authorization. This control deficiency is pervasive in nature and impacts all significant accounts. This control deficiency also affects the financial reporting process including financial statement preparation and the related note disclosures. Other significant control deficiencies at this time are lack of independent review and approval of journal entries before they are entered into the general ledger, not effectively implementing comprehensive entity-level controls, and the Company has not implemented procedures for timely review and approval of bank reconciliations.

As a result of the aforementioned material weakness, management concluded that the Company's internal control over financial reporting as of December 31, 2015 was not effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There is no ongoing litigation to which the Company is subject.

ITEM 1A. RISK FACTORS

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item. However, our current risk factors are set forth in our Annual Report on Form 10-K for the year ended March 31, 2015, which risk factors are incorporated herein by this reference.

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

During the period of October 1, 2015 through December 31, 2015, the Company made the following issuances of its equity securities.

DATE OF SALE	TITLE OF SECURITIES	NO. OF SHARES	CONSIDERATION	CLASS OF PURCHASER
October 2015 (2)	Common Shares	59,398	$45,000	Business Associate/ Existing Shareholder
October 2015 - December 2015 (1)	Series A Convertible Preferred Shares	275,000	$550,000	Director/Business Associate
October 2015 - December 2015 (1)	Warrants	275,000	As Part of the Series A Convertible Preferred Shares Issuance	Director/Business Associates
December 2015	Stock Options	1,050,000	Services	Officers/Directors /Employees/Business Associates

Exemption from Registration Claimed

(1) The above issuances by the Company of its unregistered securities were made by the Company in reliance upon Rule 506 of Regulation D and Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"). The parities that purchased the unregistered securities was known to the Company and its management, through pre-existing business relationships and as a long standing business associate. The purchasers were provided access to all material information, which they requested, and all information necessary to verify such information and was afforded access to management of the Company in connection with their purchase. The purchasers of the unregistered securities acquired such security for investment and not with a view toward distribution, acknowledging such intent to the Company. The certificate or agreement representing such securities that was issued contained a restrictive legend, prohibiting further transfer of the certificate or agreement representing such security, without such security either being first registered or otherwise exempt from registration in any further resale or disposition.

(2) The above issuance by the Company of its unregistered securities was made by the Company in reliance upon Regulation S of the 1933 Act. The party that purchased the unregistered securities was known to the Company and its management, through a pre-existing business relationship. The purchaser was provided access to all material information, which they requested and all information necessary to verify such information and was afforded access to management of the Company in connection with their purchase. The purchasers of the unregistered securities acquired such security for investment and not with a view toward distribution, acknowledging such intent to the Company. The certificate or agreement representing such securities that was issued contained a restrictive legend, prohibiting further transfer of the certificate or agreement representing such security, without such security either being first registered or otherwise exempt from registration in any further resale or disposition.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

NONE.

ITEM 4. MINE AND SAFETY DISCLOSURE

NOT APPLICABLE.

ITEM 5. OTHER INFORMATION

NONE.

ITEM 6. EXHIBITS

The following is a complete list of exhibits filed as part of this Form 10-Q. Exhibit numbers correspond to the numbers in the Exhibit Table of Item 601 of Regulation S-K.

Exhibit No	Description of Exhibits
31.1	Certification of Chief Executive Officer and Acting Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.*
32.1	Certification of Chief Executive Officer and Acting Chief Financial Officer pursuant to 18 U.S. C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.*
101.INS	XBRL Instance Document(*)
101.SCH	XBRL Taxonomy Extension Schema Document(*)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document(*)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document(*)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document(*)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document(*)

*Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

T-REX OIL, INC.

Dated: February 22, 2016

By: /s/ Donald Walford

Donald Walford, Chief Executive Officer
& Acting Chief Accounting Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Donald Walford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of T-Rex Oil, 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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 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 an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. 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 functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control 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 control over financial reporting.

Dated: February 22, 2016

Signature: /s/ Donald Walford
Donald Walford,
Chief Executive Officer & Acting Chief Accounting Officer

Exhibit 32.1

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

I, Donald Walford, Chief Executive Officer and Acting Chief Accounting Officer of T-Rex Oil, Inc. (the Company), certify, that pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code:

1. The Company's Quarterly Report on Form 10-Q for the period ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Donald Walford

Donald Walford
Chief Executive Officer & Acting Chief Accounting Officer

Dated: February 22, 2016