Shoal Point Energy Ltd.

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Interim Management Discussion and Analysis

For the Three and Nine Months Ended

October 31, 2024

The following Management Discussion and Analysis ("MD&A") of Shoal Point Energy Ltd. ("Shoal Point" or the "Company") was prepared as of December 3, 2024 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended October 31, 2024 and annual audited consolidated financial statements for the year ended January 31, 2024. The financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca, and on the Company's website at www.shoalpointenergy.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of oil and natural gas; success of exploration activities; cost and timing of future exploration and development; the estimation of oil and natural gas reserves and resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- *The Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic resources;*
- *Management's assessment of future plans for the Humber Arm oil-in-shale, Newfoundland, Canada;*
- *Management's economic outlook regarding future trends;*
- *The Company's ability to meet its working capital needs at the current level in the short term;*
- *Expectations with respect to raising capital;*
- *Sensitivity analysis on financial instruments may vary from amounts disclosed; and*
- *Governmental regulation and environmental liability.*

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

COMPANY PROFILE

Shoal Point Energy Ltd. (the "Company") was incorporated on December 22, 2006 under the Business Corporations Act (Alberta). The Company was incorporated for the purpose of acquisition, exploration and development of oil and natural gas properties in Canada and later expanded its area of interest to include the United States. The Company's administrative office is located at suite 203 – 700 West Pender Street, Vancouver, B.C. V6C 1G8. On October 26, 2010, the Company filed articles of continuance in Ontario. On November 23, 2010, the Company began trading on the CNSX (now the CSE) under the symbol SHP. On February 27, 2023, the Company filed articles of continuance in British Columbia.

SHARE CONSOLIDATION

Effective April 3, 2023, the Company consolidated its common shares on the basis of one new common share for every two old common shares issued and outstanding at that time.

Effective February 29, 2024, the Company consolidated its common shares on the basis of one new common share for every two old common shares issued and outstanding at that time.

All references to share and per share amounts in this MD&A have been retroactively restated to reflect the share consolidation.

EXPLORATION ACTIVITIES AND OUTLOOK

Newfoundland, Canada

On June 12, 2014, the Company issued an updated NI 51-101 compliant resource estimate, with an effective date of March 31, 2014, and is available on the Company web site at www.shoalpointenergy.com. The report is also available on SEDAR+ at www.sedarplus.ca.

The following table contains estimates of Total Undiscovered Petroleum Initially in Place (PIIP) and estimates of Prospective (Recoverable) Resources contained in the Humber Arm Allochthon formation within the Exploration License that Shoal Point Energy has rights to in western Newfoundland:

				Gross			Working Interest		
Resource Class				Low MMstb	Best MMstb	High MMstb	Low MMstb	Best MMstb	High MMstb
			Cumulative Production	0	0	0	0	0	0
			Remaining reserves	0	0	0	0	0	0
			Surface loss/shrinkage	0	0	0	0	0	0
		Total Commercial		0	0	0	0	0	0
			Contingent resources	0	0	0	0	0	0
			Unrecoverable	0	0	0	0	0	0
		Total sub-commercial		0	0	0	0	0	0
	Total discovered PIIP			0	0	0	0	0	0
			Prospective resources	177.3	428.4	908.6	177.3	428.4	908.6
			Unrecoverable	2,874.5	6,119.7	10,889.7	2,874.5	6,119.7	10,889.7
	Total undiscovered PIIP			3,051.8	6,548.1	11,798.3	3,051.8	6,548.1	11,798.3
Total PIIP				3,051.8	6,548.1	11,798.3	3,051.8	6,548.1	11,798.3

Prospective resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market, facility, corporate commitment or political risks). The chance of commerciality is the product of these two risk components. The Province of Newfoundland and Labrador currently has a moratorium on hydraulic fracturing in place. The prospective resource estimates referred to herein have not been risked for either the chance of discovery or the chance of development. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The Low Estimate represents the P_{90} values from the probabilistic analysis (i.e. the value is greater than or equal to the P_{90} value 90% of the time), while the Best Estimate represents the P_{50} values and the High Estimate represents the P_{10}. Actual resources may be greater or less than those calculated.

In November of 2013, the Minister of Natural Resources announced that applications for hydraulically fracturing wells would not be accepted which effectively imposed a moratorium. Our property may require hydraulic fracturing to achieve commercial production. In October 2014, the Government of Newfoundland appointed five members to the Newfoundland and Labrador Hydraulic Fracturing Review Panel ("NLFRP") to study the socio-economic and environmental impacts of hydraulic fracturing in western Newfoundland. The report was made public on May 31, 2016 and recommends, among other things, significant further study before hydraulic fracturing could be considered.

The Company submitted a summary planning document to the applicable regulators in Newfoundland and Labrador (“C-NLOPB”) which did not involve hydraulic fracturing. The Board of the C-NLOPB met on July 25, 2017 and voted to reject our application to re-enter and test an existing well.

The EL 1070 in Newfoundland is considered to be an exploration and evaluation asset, as it is still in the exploration stage.

After assessing the C-NLOPB decision, the Company, on April 10, 2019, submitted a letter to the Board proposing to do other work on exploration license 1070 ("EL 1070") while remaining in diligent pursuit of well 3K-39. The proposal was rejected by the C-NLOPB, and no substantive expenditure on further exploration has been planned; accordingly, the previously capitalized cost of $2,176,303 was written off during the year ended January 31, 2020.

Based upon a preliminary and unaudited review, the Company estimates that it has incurred oil and gas investigation and drilling expenses exceeding $60,000,000 in the period from January 1, 2007 through October 31, 2024.

Included in accounts payable and accrued liabilities at October 31, 2024 is $440,735 (January 31, 2024 - $369,133) due to Natural Resources Canada for research fund.

Management of Shoal Point continues to believe EL 1070 in Western Newfoundland represents a tremendous economic opportunity for the shareholders of the Company. The Humber Arm Allochthon also represents an opportunity for the people of Western Newfoundland to develop a significant oil industry that will create jobs and generate revenues for the government from both royalties and taxes.

Shoal Point Energy holds tenure in EL 1070 by virtue of its "diligent pursuit" of well 3K-39. The Canada Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB), in a letter to then partner Black Spruce Exploration Corp. dated April 12, 2013, extended the target date for recommencing operations on EL 1070 until a reasonable time period following the completion of the regulatory approval process. On July 23, 2014 the Company delivered the end of well report for the 3K-39Z to the C-NLOPB and delivered the first end of well report for the 3K-39 on August 21, 2014. The Company continues to provide regular activity updates to the C-NLOPB.

In early 2023, the Company attempted to engage with the Government of Newfoundland and Labrador regarding compensation for its frustrated efforts to develop its hydrocarbon assets on the west coast of Newfoundland. In November 2023, the Company filed a Statement of Claim in the Supreme Court of Newfoundland and Labrador against His Majesty the King in Right of Newfoundland and Labrador ("Newfoundland"). The claim seeks damages of at least $483,000,000 against Newfoundland for de facto expropriating and constructively taking the Company's interest in certain exploration lands, among other claims. There is no certainty that the claim will be successful or that a settlement will be reached.

Pratt County, Kansas, USA

On March 10, 2022, the Company committed to participate in the first of three oil and gas prospects in Pratt County, Kansas, operated by Shelby Resources LLC. Participation in the first prospect gave the Company the option of participating in the other two prospects in the package. The Company received a 6.5% working interest in the prospect in exchange for acquisition and drilling costs of approximately $50,000.

In April and May 2022, the Company exercised its option to participate in the second and third Pratt County prospects. Total acquisition and drilling costs of approximately US$32,000 for the second prospect and US$19,500 for the third prospect allowed the Company to earn a working interest of 6.5% of an 81% net revenue interest in each of the wells and possible offset locations.

In September 2023, the Company sold its interest in the third Pratt County prospect for US$19,500.

A total of six wells commenced drilling in 2022. The Pratt County project was considered a developed oil and natural gas property, as it was determined to meet certain technical feasibility and commercial viability thresholds as determined by management.

Due to the under performance of the wells at the Pratt County project, the Company had decided to write down the previously capitalized cost to $7,343, resulting in an impairment of $378,609 during the year ended January 31, 2023. The Company wrote down the remaining capitalized cost, resulting in an impairment of $7,438 during the year ended January 31, 2024. During the three and nine months ended October 31, 2024, the Company recorded $3,328 and $10,395 (2023 – $5,300 and $24,016) in revenues.

OVERALL PERFORMANCE

As at October 31, 2024, the Company's cash and cash equivalents position was $25,776 compared to $28,197 at January 31, 2024 as a result of a private placement completed during the period which was offset by the operating costs. The Company relies on equity financings to fund its operations. At October 31, 2024, the Company's working capital deficit was $691,295. The Company has decided to abandon the wells at the Pratt County project in Kansas, of which the Company had earned a 6.5% working interest of an 81% net revenue interest. The Company will continue to focus on the maintenance of its interest in EL 1070.

SUMMARY OF QUARTERLY RESULTS

Quarterly Financial Information

For the three months ended	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Revenues (in thousands)	$ 3	$ 4	$ 3	$ 7
Net loss (in thousands)	$ 96	$ 171	$ 80	$ 135
Net loss per share (basic & fully diluted)	$ 0.00	$ 0.01	$ 0.00	$ 0.00
Total assets (in thousands)	$ 97	$ 140	$ 178	$ 150
Shareholders' deficiency (in thousands)	$ (680)	$ (583)	$ (411)	$ (624)

For the three months ended	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Revenues (in thousands)	$ 5	$ 9	$ 10	$ 49
Net loss (in thousands)	$ 53	$ 298	$ 114	$ 490
Net loss per share (basic & fully diluted)	$ 0.00	$ 0.02	$ 0.00	$ 0.02
Total assets (in thousands)	$ 199	$ 174	$ 207	$ 130
Shareholders' deficiency (in thousands)	$ (515)	$ (458)	$ (217)	$ (373)

Results of Operations

Nine months ended October 31, 2024

During the nine months ended October 31, 2024, the Company recorded a net loss of $347,519 ($0.01 per share) compared to a net loss of $464,469 ($0.02 per share) for the 2023 fiscal period. During the nine months ended October 31, 2024, the Company had revenues of $10,395 from operations but incurred lease operating expenses of $11,435, resulting in a gross loss of $1,040 compared to a profit of $10,718 for 2023. The Company also received $387 from interest and other income (2023 - $663). The net loss during the nine months ended October 31, 2024 was lower, as lower property investigation cost and share-based compensation were incurred in the current period compared to the prior period.

Property investigation cost

The Company incurred $122,321 in exploration and evaluation cost during the nine months ended October 31, 2024 which were expensed, compared to $177,717 during the 2023 fiscal period. As the Company wrote off all previously capitalized cost related to the Pratt County project in 2023, all exploration and evaluation cost has been expensed.

Professional fees

The Company incurred $37,903 in professional fees during the nine months ended October 31, 2024, compared to $48,217 during the 2023 fiscal period. The 2024 expense decreased partly due to lower legal expenses as a result of lower business activities and partly due to reversal of legal over-accrual in 2023.

Share-based compensation

The Company incurred $nil in share-based compensation during the nine months ended October 31, 2024, compared to $54,602 incurred during the 2023 fiscal period. 2,240,000 stock options were granted on July 24, 2023.

Three months ended October 31, 2024

During the three months ended October 31, 2024, the Company recorded a net loss of $96,018 ($0.00 per share) compared to a net loss of $52,538 ($0.00 per share) for the 2023 fiscal period. During the three months ended October 31, 2024, the Company had revenues of $3,328 from operations and incurred lease operating expenses of $5,300, resulting in a gross loss of $175 compared to a gross profit of $544 for 2023. The Company also received $310 from interest and other income (2023 - $97). The net loss during the three months ended October 31, 2024 was higher, as higher property investigation cost was incurred in the current period compared to the prior period.

Property investigation cost

The Company incurred $21,335 in exploration and evaluation cost during the three months ended October 31, 2024 which were expensed, compared to a recovery of $12,454 during the 2023 fiscal period. As the Company wrote off all previously capitalized cost related to the Pratt County project in 2023, all exploration and evaluation cost has been expensed.

FINANCING ACTIVITIES

On April 24, 2023, the Company closed a non-brokered private placement and issued 5,550,000 units for total gross proceeds of $277,500. Each unit consisted of one share and one share purchase warrant. Each full warrant is exercisable at a price of $0.12 for two years following completion of the private placement. A finder's fee of $5,100 and 51,000 broker warrants were paid for a portion of the placement. Each broker warrant was exercisable at $0.12 per share until April 24, 2024.

In April 2020, the Company received a loan of $40,000 through the Canadian Emergency Business Account Program ("CEBA Loan"), which provides financial relief for Canadian small businesses during the COVID-19 pandemic. The CEBA Loan had an initial term date on December 31, 2023 (the "Initial Term Date"). The CEBA Loan is non-revolving, with an interest rate being 0% per annum prior to the Initial Term Date and 5% per annum thereafter during any extended term, which is calculated daily and paid monthly. The CEBA Loan can be repaid at any time without penalty and, if at least 75% of the CEBA Loan is paid prior to the Initial Term Date, the remaining balance of the CEBA Loan will be forgiven. The Company expected to repay the CEBA Loan prior to the Initial Term Date and therefore recorded a forgiveness of government loan for $10,000 during the year ended January 31, 2022, reducing the outstanding balance to $30,000.

During the year ended January 31, 2024, the Company has determined that it will not repay 75% of the CEBA Loan prior to the Initial Term Date. Accordingly, the Term Date of the CEBA Loan has been extended to December 31, 2025, and the outstanding balance of the CEBA Loan has been increased back to $40,000.

In August 2023, the Company received a loan of $65,000 from a company controlled by the CEO of the Company. In February 2024, the Company received an additional loan of $10,000 from the company controlled by the CEO of the Company. The loan bore interest at 5% per annum, was unsecured and was payable on demand. The principal amount of $75,000 plus accrued interest of $2,189 have been fully repaid during the nine months ended October 31, 2024. The balance of the loan payable was $nil at October 31, 2024 (January 31, 2024 – $66,629).

On April 2, 2024, the Company closed a non-brokered private placement and issued 6,176,870 units for total gross proceeds of $308,843. Each unit consisted of one share and one share purchase warrant. Each full warrant is exercisable at a price of $0.07 for three years following completion of the private placement. $277,959 has been allocated to shares and $30,884 has been allocated to the warrants. A finder's fee of $3,750 and 75,000 broker warrants were paid for a portion of the placement. Each broker warrant is exercisable at $0.07 per share until April 2, 2025.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2024, the Company had cash and cash equivalents of $25,776 and a working capital deficit of $691,295. As at October 31, 2024, the Company's share capital was $63,689,082 (January 31, 2024 - $63,417,065) representing 31,627,662 (January 31, 2024 – 25,450,792) issued and outstanding common shares without par value. The Company's deficit was $81,419,916 as at October 31, 2024 (January 31, 2024 - $81,072,397).

During the nine months ended October 31, 2024, net cash used in operating activities was $236,844. Net cash from financing activities was $238,464 which included net proceeds received from a private placement and loan repayment net of loan proceeds received.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Due to continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. To continue as a going concern, the Company needs to raise the capital necessary to continue in its oil and natural gas exploration business and ultimately to achieve positive cash flow from operations. In the current economic market, there is no certainty that management will be successful in these efforts. These factors indicate the existence of a material uncertainty that may give rise to significant doubt about the Company’s ability to continue as a going concern.

CAPITAL EXPENDITURES

The Company incurred oil and natural gas exploration costs of $nil (2023 - $nil) during the nine months ended October 31, 2024. As the Company wrote off all previously capitalized cost related to the Pratt County project in 2023 and 2024, all exploration and evaluation cost has been expensed, so no capital expenditures were incurred in the current period.

OFF-BALANCE SHEET TRANSACTIONS

The Company has no off-balance sheet transactions.

COMMITMENTS AND CONTINGENCIES

The Company was named as a defendant in a lawsuit relating to seismic data which the litigant, Geophysical Services Inc. claims was disclosed by NWest Oil & Gas Inc. (“NWest”) to the Company when the Company acquired certain acreage from NWest in a prior year. Management believes the claim to be frivolous towards the Company and without merit. The Company has filed a Summary Dismissal Application with the Alberta Court. A date for hearing of this Application has not been set. No loss provision has been recorded.

RELATED PARTY TRANSACTIONS

	Three Months October 31,		**Nine Months October 31**	
	2024	2023	**2024**	2023
Management salaries	**$ 11,605**	$ 11,604	**$ 34,925**	$ 34,889
Professional fees	**4,030**	4,400	**16,885**	19,250
Share-based compensation	**-**	-	**-**	44,547
	$ 15,635	$ 16,004	**$ 51,810**	$ 98,686

Included in accounts payable and accrued liabilities at October 31, 2024 is $48,667 (January 31, 2024 - $46,795) due to a company in which the CFO of the Company is an owner and a company which is related to the Company by virtue of common directors.

SUBSEQUENT EVENT

On November 14, 2024, the company granted 780,000 stock options to certain employees, directors and consultants. The options are exercisable at $0.05 per share with a 5 year term from the date of grant.

CRITICAL ACCOUNTING ESTIMATES

Use of estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the reported amounts of expenses during the reporting period and contingent assets and liabilities. Significant estimates include the recoverability of the carrying value of oil and natural gas properties, and the recognition and valuation of provisions for restoration and environmental liabilities.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

Significant judgments

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's consolidated financial statements include the going concern assumption.

FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with consideration to changes in the key economic indicators and up-to-date market information.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures, of which there are none outstanding as at year end. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are cash funds derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations, and are all due within one year.

As at October 31, 2024 the Company held cash and cash equivalents of $25,776 to settle current liabilities of $737,454. The Company’s working capital deficit at July 31, 2024 was $691,295.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s government loan payable has a fixed rate of interest and does not have any significant interest rate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by investing its cash with one major Canadian chartered bank.

Fair Value

The carrying value of the Company's financial instruments classified under amortized cost are considered to be representative of their fair value due to their short-term nature.

CAPITAL MANAGEMENT

The Company identifies capital as share capital and cash. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors.

The Company’s primary objectives when managing capital are to safeguard and maintain the Company’s financial resources for continued operations and to fund expenditure programs to further advance oil and natural gas property interests.

The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources.

The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditure and the scope of operations during periods of commodity pricing decline and economic downturn.

There are no externally imposed capital restrictions and no changes in approach.

RISKS AND UNCERTAINTIES

The Company's principal activity is oil and natural gas exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic.

The Company has no significant source of operating cash flow and limited revenue from operations. The Company has not determined whether its resource properties contain reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. The property interests that the Company has are in the exploration stage only. Oil and natural gas exploration involves a high degree of risk and few properties, which are explored, are ultimately developed. Exploration of the Company's properties may not result in any discoveries of commercial bodies of resources. If the Company's efforts do not result in any discovery of commercial resources, the Company will be forced to look for other exploration projects or cease operations.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks.

The Company is in the business of oil and natural gas exploration and as such, its prospects are largely dependent on movements in the price of oil and natural gas. Prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Company. The resource exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company does not enter into price hedging programs.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

ENVIRONMENTAL RISKS AND HAZARD

All phases of the Company's exploration operations are subject to environmental regulations in the jurisdictions it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests, which are unknown to the Company at present and which may have been caused by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of oil and natural gas properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities which may cause operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in oil and natural gas operations may be required to compensate those suffering loss or damage by reason of the oil and natural gas activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of oil and natural gas companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures and production costs. They may also cause a reduction in levels of production at producing properties or they may require abandonment or delays in development of new oil and natural gas properties.

OUTSTANDING SHARE DATA

For additional detail, see Note 8 of the consolidated financial statements.

	Number Issued and Outstanding December 3, 2024	**Number Issued and Outstanding October 31, 2024**
Common Shares issued and outstanding	31,627,662	31,627,662
Warrants to purchase Common shares	13,556,037	13,556,037
Options to purchase Common Shares	3,162,500	2,382,500
Fully Diluted	48,346,199	47,566,199

OFFICERS CERTIFICATION OF EVALUATION OF DISCLOSURE CONTROLS

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the nine months ended October 31, 2024 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR+ at www.sedarplus.ca.