

BAYSHORE PETROLEUM CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1**

(Expressed in Canadian Dollars)

For the Six Months ended June 30, 2021

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Q2 2021 HIGHLIGHTS

Financial

- Cash on hand at June 30, 2021 was \$4,750 (December 31, 2020 - \$49,234).
- Working capital deficit at June 30, 2021 was deficit \$181,190 (December 31, 2020 – deficit of \$813,109).
- Earned nil revenue during the second quarter of 2021 (\$90,000 – 2020).
- Net loss during the second quarter of 2021 was \$49,647 compared to a net loss of \$138,600 during the second quarter of 2020.

Operational

- Board and management focused on restructuring Bayshore and attract/secure funding to ensure the survival the Company.
- Non-operated petroleum and natural gas assets remain principally dormant.
- Focus on executing the Reverse Take Over Operation with Infinitum Copper Corp.

Management Discussion and Analysis

This Management’s Discussion and Analysis (“MD&A”) is provided by management of Bayshore Petroleum Corp. (“Bayshore”, the “Company” or “BSH”) and should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes for the three and six months ended June 30, 2021 and the audited financial statements for the year ended December 31, 2020. The unaudited condensed interim consolidated financial statements are reported in Canadian Dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

All amounts in this MD&A are in Canadian Dollars (CAD) unless otherwise noted. The MD&A contains forward looking statements that should be read in conjunction with the Company’s disclosures under “Forward Looking Statements” outlined at the end of this MD&A.

This commentary is as of October 12, 2021. Bayshore’s Board of Directors and its Audit Committee have reviewed and approved this MD&A and the accompanying financial statements.

Additional information is available online at www.sedar.com.

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Going Concern

The unaudited condensed interim consolidated financial statements and notes, and this MD&A, for the six-month ended June 30, 2021, have been prepared on a going concern basis, which assumes that the Company will realize the carrying value of its assets and satisfy its obligations as they become due in the normal course of operations.

The Company currently does not generate sufficient revenue to cover both the ongoing operating and administrative costs and fund expansion of the Company's operations. Bayshore relies on related party loans and the issuance of share capital to fund ongoing operations. For the six months ended June 30, 2021, cash used in operating activities was \$93,110 and the Company had an accumulated deficit of \$8,694,526 at June 30, 2021. The Company reported a year to date of \$190,919. At June 30, 2021, the Company had negative working capital of \$181,190 and a cash balance of \$4,750.

The Company continues discussions with the controlling shareholder and primary lender to the Company to determine financing needs for the next 12 months and determine how such funds will be advanced to the Company.

Since the first quarter of 2020, the financial markets continue to be negatively impacted by the COVID-19 outbreak which was declared a pandemic by the World Health Organization on March 12, 2020. The extent to which COVID-19 may impact Bayshore's results in terms of the ability to source financings, will depend on future developments, which are highly uncertain and cannot be predicted. COVID-19 may impact the measurement of fair value for certain financial statement items, however, whether an adjustment is required depends on the timing of the impact to an item's fair value. The Company tests its non-financial assets for recoverability whenever events or changes in circumstances indicate that a non-financial asset's carrying amount may not be recoverable.

These uncertainties cast significant doubt on the Company's ability to continue as a going concern. Although in the opinion of management, the use of the going concern assumption is appropriate, there can be no assurance that any steps management is taking will be successful. These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, expenses and the balance sheet classifications that would be used if the going concern assumption was not appropriate. Such adjustments could be material.

Proposed transaction

On June 25, 2021, Bayshore Petroleum Corp. and its 100% subsidiary 1308039 B.C. Ltd. (Subco) and Infinitum Copper Corp. (ICC) entered into an Amalgamation Agreement whereas Subco and ICC wish to amalgamate and continue as one corporation ("Amalco") to be known as "Infinitum Copper Mining Corp.",

Infinitum is a privately held British Columbia company, which holds an option to acquire an 80% interest in the Adelita Property, Sonora State, Mexico, from Minaurum Gold Inc. (TSXV: MGG; "Minaurum").

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Upon exercise of the option, Infinitum and Minaurum will form a joint venture (on an initial 80/20 basis) to undertake further work on the Adelita property.

The Acquisition will be a “Reverse Takeover” under the policies of the Exchange and therefore will require approval of the shareholders of Bayshore.

On August 6, 2021, Bayshore secured approval of its shareholders at a special meeting of shareholders (the “**Bayshore Shareholder Meeting**”). The shareholders were requested to approve: (A) the Acquisition, (B) the change of name of Bayshore to such name as may be specified by Infinitum, (C) the election of new directors, (D) the Consolidation, (E) any change of control which may arise pursuant to the Acquisition, (F) the continuation of Bayshore from Alberta to British Columbia, and (G) such other matters that may be reasonably required in order to give effect to the Acquisition.

Filings to the Exchange has been submitted to TSX on August 19, 2021 and more documents will be submitted subsequently to seek the final Reverse Take Over (RTO) approval from the Exchange.

Bayshore believes the RTO will be beneficial to all the shareholders as the current oil and gas environment has restricted Bayshore to seek finance to pursue its oil and gas operation and technology advancement. In order to create and preserve values for Bayshore, this new business arrangement will be the best arrangement at this time.

Summary of the Proposed Transactions (RTO)

Pursuant to the Amalgamation Agreement: (i) ICC and Subco will amalgamate, (ii) all of the holders of ICC Securities will receive corresponding Bayshore Securities, and (iii) ICC will become a wholly-owned subsidiary of the Resulting Issuer.

Under the terms of the Amalgamation Agreement, the following will occur on the Effective Date:

- (a) all of the holders of ICC Shares will receive Bayshore Shares on a one-for-one basis;
- (b) the Company will issue Bayshore Replacement Warrants to the holders of ICC Warrants on a one-for-one basis;
- (c) the Company will issue Bayshore Replacement Finders’ Warrants to the holders of ICC Finders’ Warrants on a one-for-one basis;
- (d) each issued and outstanding common share in the capital of Subco shall be cancelled and replaced by the issuance of one common share in the capital of Amalco;
- (e) as consideration for Bayshore issuing the Bayshore Securities to the holders of ICC Securities, Amalco will issue one common share of Amalco to Bayshore for each Bayshore Share issued;
- (f) Minaurum will receive Bayshore Shares in an amount equal to 16% of the aggregate number of Bayshore Shares outstanding as of the Effective Date, in accordance with the Minaurum Right; and
- (g) the Bayshore Options will be cancelled.

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The Amalgamation Agreement contains, among others, the following conditions precedent:

- (a) all necessary regulatory approvals shall have been obtained, including the conditional approval of the TSXV with respect to the Amalgamation and in connection with the issuance and distribution of the Bayshore Securities to be issued pursuant to the Amalgamation, and the listing of the Consideration Shares on the TSXV;
- (b) all third-party approvals, authorizations and consents as are required to be obtained with respect to the Amalgamation;
- (c) the Amalgamation Agreement and the transactions contemplated thereby, being approved by: (i) the board of directors of the Company; (ii) the board of directors of Subco; (iii) the board of directors of ICC; (iv) the sole shareholder of Subco; and (v) the ICC Shareholders, in accordance with the BCBCA;
- (d) each of the acts and undertakings of ICC to be performed on or before the Effective Date pursuant to the terms of the Amalgamation Agreement shall have been duly performed by ICC, including ICC having completed the Financing to raise an aggregate of \$4,000,000;
- (e) each of the acts and undertakings of the Company to be performed on or before the Effective Date pursuant to the terms of the Amalgamation Agreement shall have been duly performed by the Company, including that each of the Bayshore Debt Restructuring, the Bayshore Business Disposition, and the Consolidation will have been completed;
- (f) the shareholders of the Company approving (i) the Amalgamation, and any change of control resulting therefrom, (ii) the change of name of the Company to *Infinitem Copper Corp.*, (iii) the increase to the number of directors of the Company from four to seven, (iv) the election of new directors, (v) the Consolidation, (vi) the continuation of Bayshore from Alberta to British Columbia, and (vii) such other matters that may be reasonably required in order to give effect to the Amalgamation;
- (g) ICC will commission and receive an independent technical report on each of its material mineral properties, in compliance with NI 43-101;
- (h) Bayshore will have made arrangements for the cancellation, sub-letting or continued payment of rent by a third party, with respect to Bayshore's existing office lease, commencing from on or before the Effective Date, on terms and conditions satisfactory to ICC;
- (i) receipt by the Company of consents from the following individuals to act as directors and officers of the Company with effect as of the Effective Date: (i) Steve Robertson (director, CEO and President), (ii) Michael Wood (director, CFO and Corporate Secretary), (iii) Mahendra Naik (director and Chairman of the Board), (iv) Garrick Mendham (director), (v) Karin Ovegren (director), (vi) Marco Roque (director);
- (j) resignations of Ellen Yu, Alex Falconer, and Peter Ho as directors of the Company, Peter Ho as CEO of the Company and Ivan Po Kwong Chan as Chairman of the Board; and
- (k) execution of the Escrow Agreement by those Principals required by the TSXV.

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Corporate Overview

Investment Objectives

Bayshore's activities during the first half year of 2021 focused on a combination of sourcing financing and restructuring the company and working vigorously with Infinitum Copper Corp. to complete the amalgamation.

During the first six months of 2021, the Company's efforts were focused on suspending all of its technical projects such as tailing remediation work, technical services support, partial oil upgrading etc and divert all of its resources in restructuring the company for potential Reverse Take Over (RTO) with Infinitum Copper Corp. (ICC). Various agreements, letter of Intent have already been signed to initiate the RTO operation with Bayshore's management, board and legal team working closely with ICC.

Petroleum and Natural Gas Assets

The value of the formerly producing assets Bigstone and Kaybob non-operated properties has been previously fully impaired for accounting purposes. Therefore, the Company has not engaged a third-party engineering firm since 2016 to evaluate Bayshore's properties. The Company reports a nil asset value for petroleum and natural gas properties, reports no reserves, and currently is not producing and generating negative ongoing cash flows. With the restructuring of Bayshore, the Company will divest the Bigstone and Kaybob assets as required.

Outlook

Securing additional sources of debt and equity financing or even merger/acquisition continues to be the top priority for Bayshore in 2021. If Bayshore is able to raise additional financing, it will be able to survive and move on to any new prospect that will bring values to the Company. which Management believes is the greatest growth opportunity for the Company.

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Financial Overview

Second Quarter Results of Operations

<i>Six months ended, June 30</i>	2021	2020	increase / (decrease)	% increase / (decrease)
	\$	\$	\$	%
Technical services revenue	-	90,000	(90,000)	(100)
Oil and gas, non-operating expense (recovery)	1,029	1,136	(107)	(9)
General and administrative expenses (*)	112,860	189,036	(2,911)	(40)
Depreciation, amortization and accretion expense	25,777	24,725	1,052	4
Finance costs	51,253	95,319	(33,570)	(40)
Net loss	190,919	220,216	(29,297)	(13)
Loss per share (basic and diluted)	-	-	-	-
Cash used in operating activities	93,110	152,402	(52,292)	(39)

(*) *General and administrative expenses include the following financial statement categories: a) contractors, consultants and staff, b) professional, legal and advisory, c) office and administration, d) travel and accommodations and e) bad debts expense.*

General and administrative

During the second quarter of 2021, the Company significantly reduced the number of staff and reduced the amount of time of consultants in response to the lower level of activity and limited funding available to the Company to finance its operations. The Company maintains fixed costs associated with an office/warehouse location and public company listing related costs.

Finance costs

During the three months ended June 30, 2021, the Company settled \$1,422,558 of shareholder loans and \$332,937 of accrued interest by issuing 35,109,900 common shares. By doing so, the Company reduced its finance costs compared to the three months and six months ended June 30, 2020.

Cash used in operating activities

The significant decrease in cash used from operations relates to limited business activity in 2021 compared to 2020 when there was additional financing available to conduct operations and settle historical accumulated liabilities. During Q2 2021, the Company had insufficient working capital to conduct the Company's business plan and fund ongoing operations.

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Quarterly Results

The following table summarizes key financial and operating information prepared in accordance with IFRS, as applicable to a going concern in Canadian dollars.

Three months ended			Basic & Fully Diluted \$/Share	Total Assets
	Revenue	Loss		
	\$	\$	\$	\$
2021 – Q2	-	(49,647)	-	56,812
2021 – Q1	-	(141,272)	-	77,686
2020 – Q4	135,000	(49,857)	-	181,764
2020 – Q3	22,000	(49,440)	-	165,404
2020 – Q2	-	(138,600)	-	215,626
2020 – Q1	90,000	(81,616)	-	225,649
2019 – Q4	55,032	(248,555)	-	325,950
2019 – Q3	-	(253,230)	-	486,298

Second Quarter 2021

The Company funded operations utilizing cash that was on hand and advances of \$57,000 from short term loans.

The Company is not subject to seasonal variations in operations.

Consistent with the prior, no compensation paid to Directors during the second quarter of 2021.

Unsecured loans

	June 30, 2021	December 31, 2020
	\$	\$
Balance, beginning of period	1,459,558	1,100,000
Proceeds from loan advances	80,000	60,000
Transferred from convertible debt	-	299,558
Settlement of unsecured loans by issuance of common shares	(1,422,558)	-
Balance, end of period	117,000	1,459,558
Current	117,000	749,558
Long-term	-	710,000
	117,000	1,459,558

During the year ended December 31, 2020, a company wholly owned by an executive officer of Bayshore advanced \$60,000 to Bayshore. The loan attracts interest at a rate of 5% and matures on March 31, 2022. Interest is payable annually with the first payment due March 31, 2021. Interest payable of \$3,969 is included as a current liability at June 30, 2021.

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During the six months ended June 2021, funds totaling \$60,000 were advanced to the Company by the Chairman of the Board and an officer of the Company. In addition, funds of \$20,000 were advanced by a third party. These advances, in the form of short-term loans, are non-interest bearing and are payable on demand.

During the three months ended June 30, 2021, the Company settled \$1,422,558 of shareholder loans and \$332,937 of accrued interest by issuing 35,109,900 common shares.

Related Parties

The following unsecured loans and related loan interest balances are payable to the Chairman of the Board and companies controlled by the Chairman of the Board.

	June 30, 2021	December 31, 2020
	\$	\$
Related party loans	-	1,100,000
Interest payable	-	295,847
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	-	1,395,847

The following balances were payable to an officer and director of the Company.

	June 30, 2021	December 31, 2020
	\$	\$
Accounts payable and accrued liabilities	5,000	5,000
Interest payable	2,439	939
Unsecured loans	97,000	131,632
	<hr/>	<hr/>
	104,439	137,571

The following balances were payables to certain directors of the Company for director fees included in accounts payable and accrued liabilities.

	June 30, 2021	December 31, 2020
	\$	\$
Balance,	<hr/> 7,500	<hr/> 20,975

Share Capital

(Number of shares)	June 30, 2021	December 31, 2020
Common shares	118,370,715	83,260,815

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Financial instruments

Recognition and measurement

Financial instruments are any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments are recognized initially at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following table lists the Company's financial instruments and its category of method of measurement subsequent to initial recognition:

Financial instrument category and method of subsequent measurement:

Cash	Fair value
Accounts payable and accrued liabilities	Amortized cost
Lease obligation liability	Amortized cost
Interest payable	Amortized cost
Related party loans	Amortized cost
Convertible debt	Amortized cost

Impairment

Financial assets classified as subsequently measured at amortized cost or fair value through other comprehensive income reflect the Company's assessment of expected credit losses. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. Expectations reflect historical credit losses, adjusted for forward looking factors.

The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition of the asset. If there has not been a significant increase in credit risk, the expected credit loss provision is based on expectations for the next twelve months. If there has been a significant increase in credit risk, the provision is based on expectations for the remaining lifetime of the asset.

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Financial Instruments and Risk Management

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including expected interest rates, share prices, and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuation in this level are those with inputs for the asset or liabilities that are not based on observable market data.

The carrying values of accounts payable and accrued liabilities and short-term loans approximate their fair values at March 31, 2021 due to their relatively short periods to maturity. Cash is a Level 1 fair value measurement.

The interest rate on related party loans may be lower than the expected market rate, therefore the fair value may be less than the carrying value and is considered a Level 3 fair value instrument. The difference is not considered material to the financial statements.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's current liabilities, accounts payable and accrued liabilities mature within three months.

The following is a maturity analysis of the Company's financial obligations at June 30, 2021:

	Less than three months	Three months to one year	Beyond one year	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	32,045	-	-	32,045
Lease obligation liability	11,286	29,127	-	40,413
Related party loans	57,000	60,000	-	117,000
Interest payable	-	6,408	-	6,408
	100,331	95,535	-	195,866

The Company has cash on hand of \$4,750 at June 30, 2021 available to fund its financial obligations.

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In order to meet the Company's anticipated future working capital requirements, it will be required to attract additional funds through the issuance of debt, equity or other business means.

Interest rate risk

The Company's exposure to interest rate risk is minimal as the Company's short-term loans payable and convertible debt are carried at fixed interest rates, and the Company does not have interest bearing investments generating significant interest revenue.

Commitments

At June 30, 2021, the Company was a party to a long-term lease agreement for combined office and warehouse premises until May 31, 2022.

On August 15, 2021, the Company signed an agreement to terminate its lease and vacate the related premises by September 15, 2021 by paying \$30,763.

New accounting standards not yet effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after June 30, 2021. There are currently no such pronouncements that are expected to have a significant impact on the Company's unaudited condensed interim consolidated financial statements upon adoption.

Capital Management

The Company considers its capital structure to include working capital and access to credit as follows.

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Current assets	\$14,676	\$ 115,326
Current liabilities	(195,866)	(928,435)
Working capital	<u>(\$181,190)</u>	<u>(\$813,109)</u>

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Risks and Uncertainties

The petroleum and natural gas industry is subject to numerous risks and uncertainties that can affect the Company's ability to grow and generate cash flows from operations. These risks and uncertainties include, but are not limited to, the following:

- Fluctuations in interest rates, commodity prices and foreign currency exchange rates;
- Capital markets risk and the ability to finance future growth especially from technology;
- Government and regulatory risk in respect of changes to royalty and income tax regimes;
- Economic risk in respect of finding and producing reserves at a reasonable cost, and marketing those reserves;
- Operational risk in respect of availability and cost of drilling and related equipment;
- Seasonal risk in respect of the ability to enter leases and drill wells due to weather conditions; and
- Environmental risk in respect of the ability to remediate sites and remedy spills, releases or emissions of various substances that may be produced in association with the Company's petroleum and natural gas operations.

While many of these risks are beyond the Company's control and it is impossible to ensure that the Company's initiatives will result in commercially viable operations, Bayshore strives to minimize the aforementioned risks by:

- Employing management and technical staff and consultants with extensive industry and/or area experience;
- Maintaining an appropriate working capital position to cover the Company's capital and overhead costs;
- Maintaining a low cost structure and a tight cost control system; and
- Maintaining insurance in accordance with industry standards to address the risk of liability for pollution, personal injury, property damage, blow-outs and other hazards.

Additional Information

Bayshore is a Canadian oil and gas company listed on the TSX Venture Exchange under the symbol "BSH". In the event of a success RTO, The Company is applying to be listed in TSX Venture Exchange in Vancouver and will turn its business into minerals mining and exploration.

The reader should be aware that historical results are not necessarily indicative of future performance.

Forward Looking Statements

Certain of the statements set forth under “Management’s Discussion and Analysis” including statements which may contain words such as “could”, “expect”, “believe”, “will” and similar expressions and statements relating to matters that are not historical facts, are forward-looking and are based upon the Company’s current belief as to the outcome and timing of such future events. There are numerous risks and uncertainties, certain of which are beyond Bayshore’s control, including: the impact of general economic conditions in Canada and the United States, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Bayshore’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur.