



**Q3 2022
MANAGEMENT DISCUSSION &
ANALYSIS**

**TENTH AVENUE PETROLEUM CORP.
TSXV:TPC**

www.tenthavenuepetroleum.com

TENTH AVENUE PETROLEUM CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS
SEPTEMBER 30, 2022

The following Management's Discussion and Analysis ("MD&A") is a review of the operational and financial results and outlook for Tenth Avenue Petroleum Corp. ("Tenth Avenue" or the "Company") for the three and nine months ended September 30, 2022, and 2021. This MD&A is dated and based on information available as of November 21, 2022, and should be read in conjunction with the unaudited condensed consolidated interim financial statements ("financial statements") and the notes thereto for the three and nine months ended September 30, 2022, and 2021 and the audited consolidated financial statements for the year ended December 31, 2021. Additional information relating to Tenth Avenue, including Tenth Avenue's Annual Information Form for the year ended December 31, 2021, is available on SEDAR at www.sedar.com and Tenth Avenue's website at www.tenthavenuepetroleum.com

The financial statements have been prepared in accordance with International Accounting Standards 34 "Interim Financial Reporting". The Company uses certain Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures in this MD&A. Certain financial measures are also presented on a per bbl, per boe, per mcf or per share basis that results in those measures considered as Supplemental Financial Measures. For a discussion of those measures, including the method of calculation, please refer to the section titled "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" beginning on page 11. Unless otherwise indicated, all references to dollar amounts are in Canadian currency.

Tenth Avenue Petroleum Reorganization and Transformative Acquisition

On December 16, 2021, the Company completed a reorganization of the business which included the reconstitution of the Board of Directors and the completion of the Swan Hills Unit acquisition and Plan of Arrangement. Through the Plan of Arrangement, wholly owned subsidiaries of the Company were effectively spun out, were no longer affiliated with Tenth Avenue and have become their own separate reporting entity. There were no assets or liabilities left in the Company prior to the Swan Hills Unit acquisition.

The Swan Hills Unit acquisition added 44 boe/d (93% oil and natural gas liquids) in Q4/21 through a non-operated interest in the Swan Hills Unit #1 and an interest in the Judy Creek Gas Plant ("Swan Hills Acquisition"). The fourth quarter 2021 operating netback on this asset was \$17.99/boe.

Avalon Asset Acquisition

The Company closed an acquisition of assets in Southern Alberta from Avalon Energy Ltd. on April 12, 2022, that had an effective date of March 1, 2022 ("Avalon Acquisition"). The consideration for the Avalon Acquisition was \$2,500,000 subject to normal closing adjustments, payable with \$1,750,000 cash and the issuance of 3,000,000 common shares. The assets consisted of three 100% working interest operated conventional Mannville oil pools at Murray Lake, Hays and Bow Island that averaged 76 boe/d (97% oil and natural gas liquids) in first quarter.

Danzig Asset Acquisition

The Company closed an acquisition of assets in Southern Alberta from Danzig Resources Ltd. on September 30, 2022 that had an effective date of September 1, 2022 ("Danzig Acquisition"). The consideration for the Danzig Acquisition was \$760,000 subject to normal closing adjustments, payable with \$400,000 cash and the issuance of 1,500,000 common shares of the Company at the September 30, 2022, closing price of \$0.24 per share. The assets consist of a 100% working interest in 5 wells, a 100% owned multi well oil facility at 05-21-015-25W4M and a 35% ownership in a potential gas well awaiting tie-in. As at the closing date, the assets were producing of 38 boe/d (69% oil and natural gas liquids), including 26 bbls/d of light oil.

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Q3 2022 OPERATIONAL AND FINANCIAL HIGHLIGHTS

(\$)	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Total oil, natural gas and processing revenue	974,586	-	-	3,245,445	-	-
Cash flow from operating activities	270,889	-	-	332,496	-	-
Per share – basic	0.01	-	-	0.01	-	-
Per share – diluted	0.01	-	-	0.01	-	-
Adjusted funds flow ⁽¹⁾	(5,314)	-	-	712,490	-	-
Per share – basic ⁽²⁾	(0.00)	-	-	0.02	-	-
Per share – diluted ⁽²⁾	(0.00)	-	-	0.02	-	-
Net Income (loss)	(258,766)	(1,137)	-22659%	(153,392)	(43,610)	-243%
Per share – basic	(0.01)	(0.00)	-	0.00	(0.00)	-
Per share – diluted	(0.01)	(0.00)	-	0.00	(0.00)	-
Net surplus ⁽¹⁾	(1,162,237)	NA	-	(1,162,237)	NA	-
Capital expenditures	72,302	-	-	326,227	-	-
Weighted average shares outstanding						
Basic	34,781,170	10,512,658	231%	34,781,170	10,512,658	231%
Diluted	35,271,170	10,512,658	236%	35,271,170	10,512,658	236%
Share Trading						
High	\$0.26	\$0.15	73%	0.36	0.15	140%
Low	\$0.15	\$0.05	275%	0.15	0.04	275%
Trading volume	3,008,392	406,100	641%	9,981,232	1,007,104	831%
Average daily production						
Oil (bbls/d)	103	-	-	101	-	-
NGL (bbls/d)	8	-	-	9	-	-
Natural Gas (mcf/d)	51	-	-	47	-	-
Total (boe/d)	120	-	-	117	-	-
Average sale prices						
Oil (\$/bbls)	95.86	-	-	111.34	-	-
Natural gas liquids (\$/bbls)	26.58	-	-	33.48	-	-
Natural Gas (\$/mcf)	4.95	-	-	5.19	-	-
Operating netback (\$/boe)						
Average realized sales	86.35	-	-	100.15	-	-
Royalty expenses	(16.32)	-	-	(18.57)	-	-
Net production and transportation expenses	(58.12)	-	-	(47.36)	-	-
Operating field netback (\$/Boe)	11.91	-	-	34.22	-	-
Adjusted funds flow (\$/Boe)	(0.48)	-	-	22.24	-	-

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1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
 - Achieved production average of 120 boe/d in Q3/22.
 - Generated free funds flow (see "Capital Management Measures") of \$386,680 during the nine-month period ended September 30, 2022.
 - Exited the quarter with a working capital surplus of \$1,162,237 (see "Capital Management Measures").
 - Successfully closed the Danzig Acquisition on September 30, 2022.

CLIMATE CHANGE AND SUSTAINABILITY

Tenth Avenue continues to consider the impact of climate change and the financial and operational challenges this global event has had in 2022 and the continuing impact on the Company during the years ahead.

Climate Change

The Company has considered and continues to consider the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate and climate related matters, are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021 with the aim to develop globally consistent, comparable and reliable sustainability disclosure standards. On March 31, 2022, the ISSB issued exposure drafts IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures" and the exposure drafts are open for comment until July 29, 2022. IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed National Instrument ("NI 51-107") *Disclosure of Climate-related Matters*. The cost to comply with these standards, and others, that may be developed or evolved over time, is not quantifiable at this time. Significant estimates and judgments have been made by management in the preparation of the financial statements in areas of property, plant and equipment, depletion, impairment and impairment reversal, reserves estimates, decommissioning obligations, credit facilities and share capital.

Sustainability

Tenth Avenue is committed to the continued advancement of our ESG practices, including our approach to sustainability, commitments to greenhouse gas emissions management and to continued Indigenous and community partnerships in the areas where we operate.

OPERATING RESULTS

All financial and operating metrics were higher in Q3/22 compared to Q3/21 and for the nine-month period ended September 30, 2022, compared to the same period in 2021. This was a result of the Company completing the Swan Hills Acquisition, Avalon Acquisition, and Danzig Acquisition as described above and that there were no on-going operations during the three-month and nine-month comparative periods in 2021. As a result, the Company will focus comparing Q3/22 results to Q2/22 as management feels this is a more appropriate comparison.

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Production

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Production						
Oil (bbls/d)	103	-	-	101	-	-
NGL (bbls/d)	8	-	-	9	-	-
Natural Gas (mcf/d)	51	-	-	47	-	-
Total (boe/d)	120	-	-	117	-	-
Percentage of oil and NGL	93%	-	-	93%	-	-

Average production for Q3/22 decreased by 16% to 120 boe/d from 143 boe/d (94% oil and NGLs) in Q2/22 but is up from the 88 boe/d (93% oil and NGLs) average in Q1/22. The 16% decrease in production in Q3/22 was related to production downtime incurred during the well workovers that were performed during the quarter. The increase in Q2/22 was due to the Acquisition of the Avalon Assets. For the nine-month period ended September 30, 2022 average production was 117 boe/d which is an increase of 1% from the average 116 boe/day produced in the six month period ending June 30, 2022. The Company expects the percentage of oil and natural gas liquids going forward will remain over 90%.

Revenue

(\$)	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Revenue						
Oil	912,509	-	-	3,061,757	-	-
Natural gas liquids	20,530	-	-	80,305	-	-
Natural Gas	23,292	-	-	66,656	-	-
Total	956,331	-	-	3,208,718	-	-
Average realized price:						
Oil (\$/bbls)	95.86	-	-	111.34	-	-
Natural gas liquids (\$/bbls)	26.58	-	-	33.48	-	-
Combined average oil NGL (\$/boe)	90.66	-	-	105.09	-	-
Natural Gas (\$/mcf)	4.95	-	-	5.19	-	-
Revenue (\$/boe)	86.35	-	-	100.15	-	-

Revenue in Q3/22 was 912,509 or a 40% decrease from Q2/22 revenue of \$1,523,771 and a 25% increase from Q1/22 revenue of \$728,616. When comparing Q3/22 to Q2/22, revenue was affected by significantly lower realized oil prices (\$95.86/bbl compared to \$129.31/bbl) and natural gas liquids prices (\$26.58 compared to \$36.24).

Revenue on a per boe basis was down 26% in Q3/22 to \$86.35/boe compared to \$117.11/boe in Q2/22.

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Royalties

(\$)	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Royalty expenses	180,763	-	-	594,874	-	-
\$/boe	16.32	-	-	18.57	-	-
Percent of revenue (%)	18.9%	-	-	18.5%	-	-

Royalty expenses as a percentage of revenue decreased 4% to 18.9% in Q3/22 from 19.7% in Q2/22 as a result of lower oil prices. The Company expects royalty expenses as a percentage of revenue will continue to fluctuate with crude oil prices.

Net Production Expenses

(\$)	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Production expenses	661,952	-	-	1,554,089		
Less: processing income	(18,255)	-	-	(36,727)		
Total net production expenses ⁽¹⁾	643,697	-	-	1,517,362		
Total (\$/boe) ⁽²⁾	58.12	-	-	47.36		

1. Non-IFRS Financial Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Net production expenses increased by 36% to \$643,697 in Q2/22 from \$473,007 in Q2/22. Net production expenses on a per boe basis increased in Q3/22 compared to Q2/22 to \$58.12/boe from \$36.35/boe, respectively. The per boe increase in Q3/22 is attributed to additional workover costs of \$4.28/boe, inflationary pressures and annual property tax costs of \$8.24/boe that were recognized in the quarter. The Company expects net production expenses to remain near the nine-month Q3/22 levels of \$47.36/boe realizing inflationary pressures continue to exist.

Operating Netback

(\$/boe)	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Average realized sales	86.35	-	-	100.15	-	-
Royalty expenses	(16.32)	-	-	(18.57)	-	-
Net production expenses ⁽¹⁾	(58.12)	-	-	(47.36)	-	-
Operating field netback ⁽¹⁾	11.91	-	-	34.22	-	-
Total (\$/boe)	11.91	-	-	34.22	-	-

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1. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Operating netbacks decreased in Q3/22 to \$11.91/boe from \$57.64/boe in Q2/22. This decrease in Q3/22 was driven by a combination of lower commodity prices and the effect of annual property taxes being recognized all in one quarter.

General and Administrative ("G&A") Expenses

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
(\$)						
Gross G&A expenses	100,578	-	-	416,046	-	-
Net G&A expenses	100,578	-	-	416,046	-	-
Total (\$/boe)	9.08	-	-	12.99	-	-

Net G&A expenses decreased by 28% to \$100,578 in Q3/22 compared to \$139,164 in Q2/22, despite incurring one-time transaction costs of \$11,018 relating to the Danzig Acquisition. Net G&A expenses on a per boe basis decreased by 15% to \$9.08/boe in Q3/22 compared to \$10.70/boe in Q2/22. As production grows, the Company expects G&A on a per boe basis to decrease.

Stock-Based Compensation Expense

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
(\$)						
Total stock-based compensation	80,942	-	-	328,557	41,335	695%
Total (\$/boe)	7.31	-	-	10.25	-	-

Pursuant to the Company's stock option plan, the Company may grant up to an aggregate of 10% of the outstanding common shares as Options to officers, employees, directors and consultants of the Company (the "Stock Option Plan").

During the nine-month period ended September 30, 2022, the Company issued 2,940,000 stock options at an exercise price of \$0.20 compared to having 540,000 Options outstanding (at a weighted average exercise price of \$0.075 per share) during the same period in 2021.

Finance Expense

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change

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Interest on long term debt		2,284	1,138	101%	4,559	2,275	100%
Accretion of decommissioning obligations		17,945	-	-	47,794	-	-
Total finance expense		20,229	1,138	1678%	52,353	2,275	2201%
Total (\$/boe)		1.80	-	-	1.63	-	-

Total finance expense for the three and nine months ended September 30, 2022 was higher than the same period in 2021 due to increase to decommissioning obligations related to the Swan Hills Acquisition and Avalon Acquisition that increased accretion expense.

Depletion, Depreciation and Amortization ("DD&A")

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Depletion and depreciation	141,272	-	-	405,302	-	-
Total	141,272	-	-	405,302	-	-
Depletion and depreciation (\$/boe)	12.76	-	-	12.65	-	-

DD&A expenses on a per boe basis of \$12.76/boe in Q3/22 was comparative to \$12.55/boe in Q2/22.

Impairment/Impairment Reversal of Property, Plant and Equipment

The Company has considered the impact of the evolving worldwide demand for energy and global advancement of alternative sources of energy not sourced from fossil fuels in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years.

At September 30, 2022 there were no indicators of impairment or reversal of impairment identified on any of the Company's CGUs within property, plant and equipment and no impairment or reversal of impairment test was performed, which is consistent with the same period in 2021.

Adjusted Funds Flow and Net Income (Loss)

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Cash flow from operating activities	270,889	-	-	332,496	-	-
Transaction costs	11,018	-	-	79,679	-	-

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Change in non-cash working capital	(287,221)	-	-	300,315	-	-
Adjusted funds flow ⁽¹⁾	(5,314)	-	-	712,490	-	-
Per share – basic ⁽²⁾	(0.00)	-	-	0.02	-	-
Per share – diluted ⁽²⁾	(0.00)	-	-	0.02	-	-
Net income (loss)	(258,766)	(1,137)	(22659) %	(153,392)	(43,335)	254%
Per share – basic	(0.01)	(0.00)	-	(0.00)	(0.00)	-
Per share – diluted	(0.01)	(0.00)	-	(0.00)	(0.00)	-

1. Capital Management Measure; See “Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures” Section of this MD&A.
2. Non-IFRS Financial Ratio; See “Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures” Section of this MD&A.

Adjusted funds flow (see “Non-IFRS Financial Measures”) and cash flow from operating activities for the nine months ended September 30, 2022 were higher compared to the same period in 2021. This was entirely due to an increase in revenue resulting from the Swan Hills Acquisition and Avalon Acquisition.

There was an adjusted funds flow (see “Non-IFRS Financial Measures”) deficit in Q3/22 of \$(5,314) compared to adjusted funds flow of \$421,788 in Q2/22. This decrease was caused by a combination of lower commodity prices and higher operating costs, which included one-time costs, offset by lower royalties and G&A expenses. Cash flow from operating activities increased by 82% to \$270,889 in Q3/22, compared to \$149,049 in Q2/22.

The Company recorded a net loss of \$258,766 (\$0.01 loss per share basic and diluted) during the three months ended September 30, 2022 compared to a net loss of \$1,137 (\$0.00 per share basic and diluted) in the same period in 2021.

Capital Expenditures (Including Exploration and Evaluation Expenditures)

The following table summarizes capital spending, excluding non-cash items:

	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
(\$)						
Intangible drilling and completion	-	-	-	(315)	-	-
Equipment and facilities	72,302	-	-	326,542	-	-
Total capital expenditures	72,302	-	-	326,227	-	-

Total capital expenditures decreased 71% in Q3/22 to \$72,302 from in \$250,365 in Q2/22. Capital expenditures during the third quarter related to annual maintenance and well workovers. The Company commenced facility upgrades on the Murray Lake asset acquired in the Avalon Acquisition early in the second quarter of 2022. The expenditure was well below the \$440,000 budget for this project. Capital expenditures in the first quarter of 2022, were negligible.

Avalon Acquisition

On March 1, 2022, the Company completed an oil acquisition for total cash consideration of \$2,077,547 and the issuance of 3.0 million Common Shares of the Company. Based upon Tenth Avenue’s share price of \$0.25 per

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common share on the date of closing, the total consideration was approximately \$2,827,547. The acquisition has been accounted for using the acquisition method based on estimated fair values using discount rates based on what a market participant would have paid.

The amounts recognized on the date of acquisition of the identifiable net assets were as follows:

	Amount
(\$)	
Net assets acquired:	
Oil and natural gas interests	4,338,940
Current assets	245,643
Decommissioning obligations	(1,757,036)
Net assets acquired	2,827,547
Purchase consideration:	
Cash consideration	2,077,547
Share consideration (3,000,000 common shares)	750,000
Total purchase consideration	2,827,547

Danzig Acquisition

On September 30, 2022 the Company completed an oil acquisition for total cash consideration of \$417,260 and the issuance of 1.5 million Common Shares of the Company. Based upon Tenth Avenue's share price of \$0.24 per common share on the closing date, the total consideration was approximately \$777,260. The acquisition has been accounted for using the acquisition method based on estimated fair values using discount rates based on what a market participant would have paid.

The amounts recognized on the date of acquisition of the identifiable net assets were as follows:

	Amount
(\$)	
Net assets acquired:	
Oil and natural gas interests	1,323,335
Current assets	37,209
Decommissioning obligations	(583,284)
Net assets acquired	777,260
Purchase consideration:	
Cash consideration	417,260
Share consideration (1,500,000 common shares)	360,000
Total purchase consideration	777,260

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Share Capital

	September 30, 2022		December 31, 2021	
	Number	Amount (\$)	Number	Amount (\$)
Balance, opening	21,129,100	13,437,123	10,512,658	12,544,623
Non-brokered private placement	12,465,000	3,116,250		
Issue of common shares – acquisition	4,500,000	1,110,000	9,716,442	825,000
Issued of common shares – Warrants exercised	700,000	52,500	900,000	67,500
Issue of common shares – Options exercised	1,050,000	78,750	-	-
Transfer on stock option exercise	-	41,335	-	-
Share issue costs	-	(198,537)	-	-
Balance, ending	39,844,100	17,637,421	21,129,100	13,437,123

	November 21, 2022	September 30, 2022	December 31, 2021
Common shares outstanding	39,844,100	39,844,100	21,129,100
Common shares held in treasury	-	-	-
Options outstanding	2,940,000	2,940,000	1,050,000
Warrants outstanding	6,232,500	6,232,500	700,000

Liquidity and Capital Resources

	September 30, 2022	December 31, 2021
(\$)		
Working capital surplus ⁽¹⁾	1,162,237	58,645
Government loan	-	35,450
Working Capital Surplus	1,162,237	23,195
Quarterly adjusted funds flow	(5,314)	-
Annualized factor	4	4
Annualized adjusted funds flow	(21,256)	-
Net debt to annualized funds flow	(54.68)	Nil

1. Capital Management Measure; See “Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures” Section of this MD&A.

Despite the improvement in commodity prices during 2022, Tenth Avenue’s strategy remains focused on preserving balance sheet strength. The Company strives to achieve this by managing capital spending levels as appropriate to respond to changes in realized commodity prices. The Company generally relies on adjusted funds flow and private placements to fund its capital requirements and provide liquidity.

Tenth Avenue had working capital surplus of \$1,162,237 as at September 30, 2022, compared to \$23,195 as at December 31, 2021 (see “Capital Management Measures”).

The Company’s \$72,302 investment in capital additions during Q3/22 was fully funded by Tenth Avenue’s adjusted funds flow (see “Capital Management Measures”) of \$712,490. The Avalon Acquisition of \$2,827,547 was funded by the non-brokered private placement of \$3,116,250 as well as the issuance of \$750,000 of common shares as part of

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the acquisition consideration. The Danzig Acquisition of \$777,260 was funded by \$417,260 of cash on hand, as well as the issuance of \$360,000 of common shares as part of the acquisition consideration.

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel, unless otherwise stated. A boe conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion complies with the Canadian Securities Administrators' National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

Abbreviations

AECO	Natural gas storage facility located at Suffield, AB
bbbl	Barrel
bbbl/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CGU	cash-generating unit
DTH	dekatherm
GJ	Gigajoule
IFRS	International Financial Reporting Standards
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmbtu	one million British thermal units
NGL	natural gas liquids
WCS	Western Canadian Select
WTI	West Texas Intermediate

Non-IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures

This document contains the terms "net production expenses", "operating netback" and "operating field netback", which are non-IFRS financial measures, or ratios. The Company uses these measures to help evaluate Tenth Avenue's performance. These non-IFRS financial measures and ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This document also contains the capital management measures of "quarterly adjusted funds flow", "net debt", "working capital deficiency (surplus)", "net debt to annualized adjusted funds flow", and "year-end net debt to trailing annual adjusted funds flow".

- a. **Adjusted Funds Flow (Capital Management Measure)** - Adjusted funds flow is calculated by taking cash-flow from operating activities on a periodic basis and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Tenth Avenue believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Tenth Avenue uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt, pay dividends and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating

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income (loss) per share, which results in the measure being considered a non-IFRS financial ratio. Adjusted funds flow can also be calculated on a per boe basis, which results in the measure being considered a non-IFRS financial ratio. The calculation of the Company's adjusted funds flows is summarized starting on page 13 in the section titled "Adjusted Funds Flow and Net Income (Loss)".

- b. **Net Production Expenses, Operating Netback and Operating Field Netback (Non-IFRS Financial Measures, and Non-IFRS Financial Ratios if calculated on a per boe basis)** - Management uses certain industry benchmarks, such as net production expenses, operating netback and operating field netback, to analyze financial and operating performance. Net production expenses are determined by deducting processing income primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest. Under IFRS this source of funds is required to be reported as revenue. Where the Company has excess capacity at one of its facilities, it will process third party volumes as a means to reduce the cost of operating/owning the facility, and as such third party processing revenue is netted against production expenses in the MD&A. Operating netback equals total petroleum and natural gas sales, including realized gains and losses on commodity and foreign exchange derivative contracts, less royalties, net production expenses and transportation expense and can also be calculated on a per boe basis, which results in them being considered a non-IFRS financial ratio. Operating field netback equals total petroleum and natural gas sales, less royalties, net production expenses and transportation expense. These metrics can also be calculated on a per boe basis. Management considers operating netback and operating field netback important measures to evaluate Tenth Avenue's operational performance, as it demonstrates field level profitability relative to current commodity prices. The calculation of the Company's netbacks can be seen starting on page 10 in the section titled "Operating Netback".
- c. **Net Debt and Working Capital Deficiency (Surplus) (Capital Management Measure)** - Tenth Avenue closely monitors our capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of our capital structure. The Company uses net debt (bank debt plus senior unsecured notes plus working capital surplus or deficiency, including the fair value of cross-currency swaps, plus government loan and excluding the fair value of financial instruments, decommissioning obligations, lease liabilities and the cash award incentive plan liability) as an alternative measure of outstanding debt. Management considers net debt an important measure to assist in assessing the liquidity of the Company.

	September 30, 2022	December 31, 2021
(\$)		
Cash and cash equivalents	(846,649)	(43,372)
Accounts payable and accrued liabilities	86,328	75,215
Accounts receivable	(245,270)	(90,488)
Prepaid expenses and deposits	(156,646)	-
Working capital (surplus)	(1,162,237)	(58,645)
Long term debt	-	35,450
Net debt (surplus)	(1,162,237)	(23,195)

- d. **Net Debt to Annualized Adjusted Funds Flow (Capital Management Measures)** - Management uses certain industry benchmarks, such as net debt to annualized adjusted funds flow, to analyze financial and operating performance. This benchmark is calculated as net debt divided by the annualized adjusted funds flow for the most recently completed quarter. Management considers net debt to annualized adjusted funds flow as a key measure as it provides a snapshot of the overall financial health of the Company and our ability to fund capital requirements, dividend payments, pay off debt and take

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on new debt, if necessary, using the most recent quarter's results. The calculation of the Company's net debt to annualized adjusted funds flow can be seen starting on page 16 in the section titled "Liquidity and Capital Resources".

- e. **Free Funds Flow (Capital Management Measure)** - Management uses certain industry benchmarks, such as free funds flow, to analyze financial and operating performance. This benchmark is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions, Management believes that free funds flow provides a useful measure to determine Tenth Avenue's ability to improve returns and to manage the long-term value of the business.

(\$)	Three months ended September 30			Nine months ended September 30		
	2022	2021	% change	2022	2021	% change
Adjusted funds flow	(5,314)	-	-	712,490	-	-
Less: capital expenditures	(72,302)	-	-	(326,227)	-	-
Free funds flow	(77,616)	-	-	386,263	-	-

Selected Quarterly Information				
	September 30, 2022	June 30, 2022	March 31, 2022	Dec 31, 2021
Sales volumes				
Natural Gas (mcf/d)	51	52	73	17
Oil and NGL (bbls/d)	133	134	82	41
Average boe/d (6:1)	120	143	88	44
Product prices				
Natural gas (\$/mcf)	4.95	4.36	6.65	5.18
Oil and NGL (\$/bbl)	90.66	122.97	95.61	90.37
Oil equivalent (\$/boe)	86.35	117.11	91.61	86.80
(\$)				
Financial results				
Gross Revenues	956,311	1,523,771	739,018	390,188
Cash provided by operating activities	270,889	149,049	(87,442)	3,364
Adjusted funds flow ⁽²⁾	(21,256)	1,687,151	293,619	-
Per share – basic	0.00	0.05	0.01	-
Per share – diluted	0.00	0.05	0.01	-
Net income (loss)	(258,766)	178,080	(72,706)	(98,556)
Per share – basic	(0.01)	0.01	(0.00)	(0.00)
Per share – diluted	(0.01)	0.01	(0.00)	(0.00)
Capital expenditures	72,302	250,368	3,556	26,862
Acquisitions ⁽¹⁾	3,604,807	-	2,827,547	-
Dispositions ⁽¹⁾	-	-	-	-
Total assets	8,135,825	7,389,577	9,187,954	1,868,500
Net debt ⁽²⁾	(1,162,237)	(1,633,198)	(546,800)	(23,195)
Decommissioning obligations	2,950,110	2,329,324	2,634,667	992,636

1. Includes cash and non-cash consideration.

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2. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A

Critical Accounting Estimates

Management is required to make judgments, assumptions, and estimates in applying its accounting policies which have significant impact on the financial results of the Company. The following outlines the accounting policies involving the use of estimates that are critical to understanding the financial condition and results of operations of the Company:

- a. **Oil and natural gas reserves** – Proved reserves, as defined by the Canadian Securities Administrators in NI 51-101 with reference to the Canadian Oil and Gas Evaluation Handbook, are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.
- b. **Carrying value of property, plant and equipment ("PP&E")** – PP&E is measured at cost less accumulated depletion, depreciation, amortization, impairment losses and impairment reversals. The net carrying value of PP&E and estimated future development costs is depleted using the unit-of production method based on estimated proved and probable oil and natural gas reserves. Changes in estimated proved and probable oil and natural gas reserves or future development costs have a direct impact on the calculation of depletion expense.

The Company is required to use judgment when designating the nature of oil and gas activities as exploration and evaluation ("E&E") assets or development and production assets within PP&E. E&E assets and development and production assets are aggregated into CGUs based on their ability to generate largely independent cash inflows. The allocation of the Company's assets into CGUs requires significant judgment with respect to the use of shared infrastructure, geographic proximity, existence of active markets for the Company's products, the way in which management monitors operations and materiality.

Significant management judgments are required to analyze the relevant external and internal indicators of impairment or impairment reversal for a CGU with the estimate of proved and probable oil and natural gas reserves and the related cash flows being significant to the assessment.

The Company assesses PP&E for impairment or impairment reversal whenever events or changes in circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. If any such indication of impairment or impairment reversal exists, the Company performs an impairment test related to the specific CGU. The determination of the estimated recoverable amount of a CGU is based on estimates of proved and probable oil and natural gas reserves and the related cash flows. By their nature, these estimates of proved and probable oil and natural gas reserves and the related cash flows are subject to uncertainty including significant assumptions related to forecasted oil and natural gas commodity prices, forecasted production, forecasted production costs, forecasted royalty costs and forecasted future development costs and the impact on the financial statements of future periods could be material.

The Company has considered the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years. However, the ultimate period in which global energy markets can

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transition from carbon-based sources to alternative energy is highly uncertain. The Company will continue to monitor its estimates as the global demand for alternative energy sources continues to evolve.

- c. **Decommissioning obligations** – The decommissioning obligations are estimated based on existing laws, contracts or other policies. The fair value of the obligation is based on estimated future costs for abandonments and reclamations discounted at a risk-free rate. The costs are included in PP&E and amortized over the useful life of the asset. The liability is adjusted each reporting period to reflect the passage of time, with the accretion expense charged to net earnings, and for revisions to the estimated future cash flows. By their nature, these estimates are subject to measurement uncertainty and the impact on the consolidated financial statements could be material.
- d. **Income taxes** – The determination of income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded.
- e. **Business combinations** – The application of the Company's accounting policy for business combinations requires management to make certain judgments on a case-by-case basis as to the determination of the accounting method of an acquisition to determine if the assets acquired meet the definition of a business combination or an asset acquisition. In a business combination, management makes estimates of the acquisition-date fair value of assets acquired and liabilities assumed which includes assessing the estimated fair value of oil and natural gas interests (included in property, plant and equipment). The determination of the acquisition-date fair value of oil and natural gas interests involves significant estimates, including the estimate of proved and probable oil and natural gas reserves and the related cash flows and the discount rates. The estimate of proved and probable oil and natural gas reserves and the related cash flows includes significant assumptions related to forecasted oil and natural gas commodity prices, forecasted production, forecasted production costs, forecasted royalty costs and forecasted future development costs. The estimates of proved and probable oil and natural gas reserves and the related cash flows are prepared by the Company's external independent qualified reserves evaluator or internal reserves evaluator.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has designed disclosure controls and procedures ("DCP") to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in our annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Company has designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's ICFR that occurred during the recent fiscal period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

No material changes in the Company's DCP and its ICFR were identified during the period ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. As a result, the Company's DCP and its ICFR were effective as at September 30, 2022.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the

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control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Business Risks

Tenth Avenue faces business risks, both known and unknown, with respect to its oil and gas exploration, development, and production activities that could cause actual results or events to differ materially from those forecasts. Most of these risks (financial, operational or regulatory) are not within the Company's control. While the following sections discuss some of these risks, they should not be construed as exhaustive. For additional information on the risks relating to Tenth Avenue's business, see "Risk Factors" in Tenth Avenue's Annual Information Form for the year ended December 31, 2021.

a. Continued Volatility in Commodity and Petroleum Products Prices

Tenth Avenue's financial performance is significantly dependent on the prevailing prices of crude oil, refined products and natural gas. Crude oil prices are impacted by a number of factors, including, but not limited to: global and regional supply and demand; global economic conditions including factors impacting global trade and disruption of trade routes; the actions of OPEC and other non-OPEC oil exporting nations, including, but not limited to, compliance or non-compliance with production quotas agreed upon by OPEC members or decisions by OPEC not to impose production quotas on its members; development, adoption, pricing and availability of alternate sources of energy; actions of domestic and foreign governments, regulatory bodies and quasi-regulatory bodies that may impact commodity prices; enforcement of environmental or emissions regulations; public sentiment towards the use of fossil fuels, including crude oil; political stability and social conditions in oil-producing countries; outbreak of war, including Russia's military invasion of Ukraine; market access constraints and transportation interruptions (pipeline, marine or rail); outbreak or continuation of a pandemic; terrorist threats; technological developments; the occurrence of natural disasters; and weather conditions.

Since the second half of 2021, the crude oil market has responded positively as the OPEC+ alliance unwinds cuts as part of the output recovery scheme in conjunction with a gradual global economic recovery from the COVID-19 pandemic; however, the potential for volatility in crude oil demand and supply remains. Recent surges of COVID-19 cases in China have resulted in strict policies and lockdowns in major Chinese cities intended to contain the spread of COVID-19. These policies have negatively impacted financial markets on a global scale, and continue to put further strain on global supply chains.

While the recovery in oil demand as a result of the easing of COVID-19 restrictions, combined with a prudent supply policy implemented by the OPEC+ alliance, has resulted in crude oil prices recovering to pre-pandemic levels, the extent and duration of this recovery remains uncertain. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, the difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the oil and natural gas industry in western Canada has led to additional downward price pressure on oil and natural gas produced in western Canada. The overall impact of these market conditions and the potential for decreased confidence in the Canadian crude oil and natural gas industry could materially and adversely affect Tenth Avenue's business, prospects, financial condition, results of operations and cash flows.

To date in 2022, global crude oil prices have risen to the highest levels since 2014 due to tight supply and a resurgence in demand, furthered by escalating military tensions in Eastern Europe following Russia's invasion of Ukraine. Beginning in November 2021, Russia began to amass troops along the Ukrainian border, heightening military tensions in Eastern Europe. In February 2022, Russia sent troops into pro-Russian

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separatist regions in Ukraine, as well as other major Ukrainian cities. Ongoing military tensions between Russia and Ukraine have the potential to threaten the supply of oil and gas from the region. The long-term impacts of the tension between these nations remains uncertain.

The overall result of these events and conditions could lead to a prolonged period of volatile prices for oil and other petroleum products. Price volatility could result in reduced utilization and/or the suspension of operations at certain of the Company's facilities, buyers of the Company's products declaring force majeure and disruptions of pipeline and other transportation systems for the Company's products, which would further negatively impact Tenth Avenue's production, and could adversely impact Tenth Avenue's business, financial condition and results of operations.

b. Inflation Risk

The general rate of inflation in Canada and many other countries saw a significant increase during 2021 and into the third quarter of 2022, with some regions experiencing multi-decade highs. These increases reflect imbalances between supply and demand recoveries from the pandemic. The underlying factors include, but are not limited to, global supply chain disruptions, shipping bottlenecks, labor market constraints, geopolitical instability, and side effects from monetary and fiscal expansions.

The global economic recovery remains uncertain. Prices for services and materials continue to evolve in response to fast-changing commodity markets, industry activities, supply chain dynamics, and government policies impacting operating and capital costs. Tenth Avenue closely monitors market trends and works to mitigate cost impacts in all price environments through its economies of scale in procurement, efficient project management practices, and general productivity improvements. The global economic recovery and rising inflationary trends are widely expected to result in rising interest rates. The ongoing invasion of Ukraine is another factor that could influence inflation or other parts of the Canadian and global economy. On March 2, 2022, the Bank of Canada raised its benchmark interest rate by 25 basis points for the first time since 2018. Further interest rate increases are anticipated over the next twelve months.

c. Environmental and Climate Change Risk

As a result of growing international concern in respect of climate change, Tenth Avenue has seen a significant increase in focus on the transition to alternative, lower-carbon energy sources. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals, are increasingly seeking to develop and implement, among other things, regulatory and policy changes, changes in investment strategies and habits, and a restructuring of energy consumption profiles, which, individually and collectively are intended to or have the effect of accelerating the transition to less carbon-intensive energy sources and the reduction in global consumption of fossil fuels. Overall, Tenth Avenue is not able to estimate at this time the degree to which climate change related consumer behaviour, regulatory, climatic conditions, and climate-related transition risks could impact the Company's business, financial condition and results of operations.

Climate change may have actual or perceived adverse impacts on the Company's operations, business, and financial results, including an increase in the frequency of extreme climatic conditions. Weather and climate affect demand for crude oil and gas, and therefore, the predictability of weather and climate affects the Company's ability to accurately forecast supply and demand. In addition, the Company's operations, including exploration, production and construction operations, and the operations of major customers, suppliers and service providers, can be affected by acute and chronic physical climate risks, such as floods, forest fires, earthquakes, hurricanes, landslides, mudslides, and other extreme weather events, natural disasters or long-term shifts in weather patterns. This may result in cessation or diminishment of production, delay of exploration and development activities or delay in executing the Company's capital

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expenditure plans, which may require the Company to adopt increased or additional mitigation requirements.

Growing concerns over climate change have also led to an increase in climate and environment-centric disputes and litigation in various jurisdictions, including at a Federal and Provincial level, alleging various claims and registering complaints, including that energy producers contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. While many such climate change related actions are in preliminary stages of litigation, and in some cases raise novel or untested issues and causes of action, the risk that legal, societal, scientific and political developments will increase the likelihood of successful climate change related litigation against energy producers remains uncertain. The outcome and ramifications of any such litigation is uncertain and may materially impact the Company's business, financial condition or results of operations. The Company may also be subject to negative or damaging publicity associated with such matters, which may adversely affect the public sentiment and the Company's reputation, regardless of whether the Company is ultimately found responsible for claims alleged. We may be required to incur significant expenses or devote significant resources in defense against any such litigation.

Financial Risks

Financial risks include commodity pricing, exchange and interest rates and volatile markets. Commodity price fluctuations result from market forces completely out of the Company's control and can significantly affect the Company's financial results. In addition, fluctuations between the Canadian dollar and the US dollar can also have a significant impact. Expenses are all incurred in Canadian dollars while oil, and to some extent natural gas, prices are based on reference prices denominated in US dollars. Due to both of these factors, Tenth Avenue may enter into derivative instruments to partially mitigate the effects of downward price and foreign exchange volatility. To evaluate the need for hedging, management, with direction from the Board of Directors, monitors future pricing trends together with the cash flow necessary to fulfill capital expenditure requirements. Tenth Avenue will only enter into a hedge to reduce downside uncertainty of pricing, not as a speculative venture.

Operational Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Tenth Avenue depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, existing reserves and their subsequent production will decline over time as they are exploited. A future increase in Tenth Avenue's reserves will depend not only on its ability to explore and develop any properties it may have, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by Tenth Avenue.

Tenth Avenue endeavors to mitigate these risks by, among other things, ensuring that its employees are highly qualified and motivated. Prior to initiating capital projects, the Tenth Avenue technical team completes an economic analysis, which attempts to reflect the risks involved in successfully completing the project. In an effort to mitigate the risk of not finding new reserves, or of finding reserves that are not economically viable, Tenth Avenue utilizes various technical tools, such as 2D and 3D seismic data, rock sample analysis and the latest drilling and completions technology.

Insurance is in place to protect against major asset destruction or business interruptions, and includes, but is not limited to, events such as well blow-outs or pollution. In addition, Tenth Avenue cultivates relationships with its suppliers in an effort to ensure good service regardless of the prevailing cycle of oil and gas activity.

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Operational risk is mitigated by having Tenth Avenue employees address the continued development of a new or established reservoir on a go-forward basis, using the same procedure that is used to address exploration risk. The decision to produce reserves is made based on the amount of capital required, production practices and reservoir quality. Tenth Avenue evaluates reservoir development based on the timing, amount of additional capital required and the expected change in production values. Finding and development costs are controlled when capital is employed in a cost-effective manner.

Regulatory Risks

Regulatory risks include the possibility of changes to royalty, tax, environmental, safety, and public disclosure and reporting legislation. Tenth Avenue endeavours to anticipate the costs related to compliance and budget sensibly for them. Changes to environmental and safety legislation may also cause delays to Tenth Avenue's drilling plans, its production efficiencies and may adversely affect its future earnings. The Company's exploration and production activities emit greenhouse gases ("GHG") which may require Tenth Avenue to comply with federal and/or provincial GHG emissions legislation. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on Tenth Avenue's business, financial condition, results of operations and prospects. Restrictive new legislation is a risk the Company cannot control.

The ISSB is expected to develop globally consistent, comparable and reliable standards for disclosing and reporting ESG and climate-related metrics. On March 31, 2022, the ISSB issued exposure drafts IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate related Disclosures" and the exposure drafts are open for comment until July 29, 2022. IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed NI 51-107 Disclosure of Climate-related Matters. The cost to implement and comply with these standards, and others, that may be developed or evolved over time, has not yet been quantified.

Forward-Looking Statements

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe", "strive" and similar expressions or the negative of such terms or other comparable terminology. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- the Company's commitment to maintaining financial flexibility and liquidity;
- the Company's business strategy, objectives, strength and focus, including with respect to acquisitions;

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- the effects of the Company's acquisitions on the Company's strategy, land holdings and profitability, including, but not limited to, the Swan Hills acquisition, and the Avalon acquisition;
- the COVID-19 pandemic, the Company's and governmental authorities' current and planned responses thereto and the impact thereof on, without limitation, the Company in particular, including the Company's capital expenditure plans, and the oil and gas industry in general;
- uncertainty regarding the full impact of COVID-19 on global economies and oil demand and commodity prices, including the effects of recent outbreaks of COVID-19 in China;
- the timing of full economic recovery related to the COVID-19 pandemic;
- the impacts on the Company of the military conflict between Russia and Ukraine;
- applications and grants under the Alberta Site Rehabilitation Program ("SRP"), programs, the Federal Emissions Reduction Fund ("ERF"), the Alberta Methane Technology Information Program ("MTIP"), including estimates of expected funding, and repayment timing thereof, as applicable;
- the Company's commitment to advancing ESG practices, managing greenhouse gas emissions and to continued Indigenous and community partnerships in the areas where it operates;
- the potential impact of ESG disclosure and reporting policies and standards imposed by the ISSB and proposed NI 51-107;
- expectations regarding the estimated recoverable amount of the Company's oil and gas properties, royalty rates as a percentage of revenue, and committed capital spending to develop the GORR lands and timing thereof;
- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- the Company's diversification strategy, including the Company's third-party gas sales contracts, and the effects thereof on risk mitigation, price exposure and realized price improvements;
- the Company's plans in respect of returns of capital, including base dividend and enhanced return programs;
- expectations relating to cash tax, tax pools, and deferred tax assets, including in respect of deferred income tax;
- contractual obligations and commitments;
- estimates used to calculate decommissioning obligations and depletion of PP&E; and
- the Company's expectations regarding inflation and interest rates. With respect to the forward-looking statements contained in this MD&A, Tenth Avenue has made assumptions regarding, among other things:
 - future commodity prices, price differentials and the actual prices received for the Company's products;
 - expected net production expenses and transportation expenses;
 - estimated proved and probable oil and natural gas reserves;
 - the effects of heavy volume apportionment and fluctuating diluent costs on the heavy oil market in Alberta;
 - the ability to obtain equipment and services in the field in a timely and efficient manner;
 - the ability to add production and reserves through acquisition and/or drilling at competitive prices;
 - the timing of anticipated future production additions from the Company's properties and acquisitions;
 - the realization of anticipated benefits of acquisitions, including the acquisitions and the related drilling programs;
 - the ability to explore and realize benefits from exposure to diversified gas markets;
 - drilling results, including field production rates and decline rates;
 - the performance of the waterflood projects;
 - the continued application of horizontal drilling and fracturing techniques and pad drilling;
 - the continued availability of capital and skilled personnel;
 - the ability to obtain financing on acceptable terms;
 - the accuracy of Tenth Avenue's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
 - the impact of increasing competition;

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- the ability of the Company to secure adequate product transportation;
- the ability to enter into future commodity derivative contracts on acceptable terms;
- the continuation of the current tax, royalty and regulatory regime;
- the volatility in commodity prices and oil price differentials and the resulting effect on Tenth Avenue's revenue, cash provided by operating activities, adjusted funds flows and earnings;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- the ability to adjust capital spending relative to commodity prices and use financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates and interest rates;
- the ability to maintain financial flexibility;
- Tenth Avenue's ability to execute its plans in response to the COVID-19 pandemic; and
- the impact of inflation on costs and interest rates.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- the material uncertainties and risks described under the headings "Unit Cost Calculation", "Non-IFRS Financial Measures", "Critical Accounting Estimates", "Disclosure Controls and Internal Controls over Financial Reporting", "Business Risks", "Financial Risks", "Operational Risks" and "Regulatory Risks";
- the material assumptions and observations described under the headings "Operational and Financial Highlights", "COVID-19 Response", "Sustainability", "Production", "Petroleum and Natural Gas Sales", "Royalties", "Net Production Expenses", "Transportation Expense", "Operating Netback", "General and Administrative ("G&A") Expenses", "Stock-Based Compensation Expense", "Finance Expense", "Depletion, Depreciation and Amortization ("DD&A")", "Impairment (Impairment Reversal) of Property, Plant and Equipment", "Income Taxes", "Adjusted Funds Flow and Net Income (Loss)", "Capital Expenditures (Including Exploration and Evaluation Expenditures)", "Acquisitions and Dispositions", "Share Capital", "Liquidity and Capital Resources", "Bank Debt", "Commitments", "Contingency" and "Selected Quarterly Information";
- the COVID-19 pandemic and the impact on the Company's business, financial condition and results of operations;
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved and probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation costs and future development costs;

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- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- changes in the political landscape, both domestically and abroad; and
- increased operating and capital costs due to inflationary pressures (actual and anticipated).

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also, to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Tenth Avenue are included in reports on file with applicable securities regulatory authorities, including but not limited to Tenth Avenue's Annual Information Form for the year ended December 31, 2021, which may be accessed on Tenth Avenue's SEDAR profile www.sedar.com or on the Company's website at www.tenthavenuepetroleum.com

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tenth Avenue's prospective results of operations, production, free funds flow, net debt, net debt to annualized adjusted funds flow, corporate decline rates, royalty rates and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumptions outlined under "Non-IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures", and should not be used for purposes other than those for which it is disclosed herein. Tenth Avenue and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Tenth Avenue's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

The forward-looking statements and FOFI contained in this MD&A, as defined by Canadian securities legislation, are approved by management as of the date hereof and Tenth Avenue undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.