

PETROX RESOURCES CORP.
(FORMERLY PETROX CAPITAL CORPORATION)

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017

The following discussion and analysis should be read in conjunction with the financial statements of the Corporation for the three and nine month periods ended September 30, 2017 and all of the notes, risk factors and information contained therein.

Date

This management discussion & analysis ("MD&A") is dated November 27, 2017, and is in respect of the three and nine month periods ended September 30, 2017.

Overall Performance

Petrox Resources Corp. ("Petrox" or the "Corporation") was incorporated under the Business Corporations Act (Alberta) on February 25, 2011. On December 29, 2011, Petrox completed its initial public offering of 3,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$300,000, and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Exchange").

On May 31, 2012, the Corporation completed its Qualifying Transaction ("QT"), consisting of the acquisition ("Acquisition") of certain oil and gas assets (the "Richfield Assets") from Richfield Oils Inc. Pursuant to the Acquisition, Petrox acquired the Richfield Assets from Richfield, in exchange for which the Corporation issued to Richfield an aggregate of 3,000,000 common shares in the capital of the Corporation at a deemed price of \$0.25 per common share for a total deemed price of \$750,000.

On June 2, 2014, the Corporation completed the acquisition of certain oil and gas properties located in the Fletwode area of Saskatchewan ("Fletwode Properties") for \$2,100,000. These properties include six oil producing wells with a combined producing rate of approximately 40 barrels per day and a total proven plus probable reserve of 166,000 barrels.

On September 1, 2015, the Corporation announced that the amalgamation agreement providing for the proposed amalgamation transaction between the Corporation and Shanghai Sinoil Energy Holding Corporation has expired and was then terminated. The termination of this proposed amalgamation was due to a number of factors, including the substantial drop in the oil price and the volatility of the oil market since the fall of 2014.

Selected Financial Information

A summary of selected financial information is as follows:

	As at Sept. 30, 2017	As at December 31, 2016
Total assets	\$3,123,056	\$3,407,601
Long-term financial liabilities	\$319,524	\$323,156
Total shareholders' equity	\$2,783,527	\$3,009,276
	Three Months Ended Sept. 30, 2017	Three Months Ended Sept. 30, 2016
Revenue (with royalties)	\$132,236	\$139,077
Net comprehensive loss	(\$93,647)	(\$63,765)
Income (loss) per share – basic and diluted	(\$0.002)	(\$0.001)

For the three months ended September 30, 2017, the Corporation reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Summary of Quarterly Results

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial								
Sales Revenue (000s)	\$132	\$149	\$167	\$155	\$139	\$136	\$93	\$138
Sales Volume (boe's)	2,523	2,605	2,828	2,689	2,744	2,746	2,634	2,860
Net Income/Loss (000s)	(\$94)	(\$88)	(\$45)	(\$276)	(\$64)	(\$100)	(\$138)	(\$877)
Income/Loss per Share								
Basic	(\$0.002)	(\$0.002)	(\$0.001)	(\$0.005)	(\$0.001)	(\$0.002)	(\$0.0025)	(\$0.016)
Diluted	(\$0.002)	(\$0.002)	(\$0.001)	(\$0.005)	(\$0.001)	(\$0.002)	(\$0.0025)	(\$0.016)

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Operations								
Production Volume (boe's)	2,577	2,580	2,726	2,857	2,677	2,848	2,795	2,775
Average Price (/bbl)	\$52.41	\$57.08	\$59.21	\$57.58	\$50.68	\$49.57	\$35.43	\$48.12
Royalty (/bbl)	\$1.98	\$2.53	\$3.01	\$3.12	\$2.34	\$2.89	\$2.13	\$2.35
Operating Cost (/bbl)	\$38.63	\$41.56	\$27.82	\$25.12	\$28.30	\$24.91	\$31.40	\$47.50
Netback (/bbl)	\$11.79	\$12.99	\$28.38	\$29.34	\$20.04	\$21.77	\$1.90	(\$1.73)

For the above noted periods, the Corporation reported no discontinued operations or extraordinary items.

Results of Operations

Production

For the three months ended September 30, 2017, the Corporation recorded a total production of 2,577 barrels compared to 2,677 barrels for the same period in 2016 and an average daily production of 28.02 boe/d compared to 29.10 boe/d in 2016 from its production property in Fletwode, Saskatchewan.

For the nine months ended September 30, 2017, the Corporation recorded a total production of 7,884 barrels compared to 8,320 barrels for the same period in 2016 and an average daily production of 28.88 boe/d compared to 30.37 boe/d in 2016.

Sales Revenue

For the three months ended September 30, 2017, the Corporation recorded sales revenue before royalty payment of \$132,236 compared to sales revenue of \$139,077 for the same period in 2016. The decrease in sales revenue is attributable to lower volume. In 2017, the Corporation had a sale volume of 2,523 barrels comparing to 2,744 barrels in 2016.

For the nine months ended September 30, 2017, the Corporation recorded sales revenue before royalty payment of \$448,394 compared to sales revenue of \$368,515 for the same period in 2016. The increase in sales revenue is attributable to the increase of oil price. In 2017, the Corporation received an average sale price of \$56.36 per barrel compared to \$50.68 per barrel in 2016.

Royalties

For the three months ended September 30, 2017, the Corporation recorded total royalties of \$5,105, representing 4% percent of revenue, compared to \$6,258 in 2016.

For the nine months ended September 30, 2017, the Corporation recorded total royalties of \$19,843, representing 4% percent of revenue, compared to \$20,444 in 2016.

Operating Expenses

For the three months ended September 30, 2017, the Corporation incurred operating expenses totalling \$102,242 compared to \$75,763 in 2016. The increase in operating expenses in 2017 was mainly due to increase in well workover expenses.

For the nine months ended September 30, 2017, the Corporation incurred operating expenses totalling \$285,333 compared to \$240,810 in 2016. The increase in operating expenses in 2017 was mainly due to increase in well workover expenses.

Operating Netback

	Three months ended Sept. 30, 2017	Nine months ended Sept. 30, 2017
\$/boe		
Average Sales price	\$52.41	\$56.36
Royalties	(\$5,105)	(\$19,843)
Operating expenses	(\$102,242)	(\$285,333)
Operating netback	\$17.65	\$16.14

General and Administrative Expenses

For the three months ended September 30, 2017, the Corporation's general and administrative expenses were \$54,067 compared to \$52,174 in 2016.

For the nine months ended September 30, 2017, the Corporation's general and administrative expenses were \$171,626 compared to \$188,219 in 2016.

Depletion and Depreciation

For the three months ended September 30, 2017, the Corporation incurred \$63,118 or \$24.49 per boe in depletion and depreciation expense compared to \$70,654 in 2016.

For the nine months ended September 30, 2017, the Corporation incurred \$193,388 or \$24.53 per boe in depletion and depreciation expense compared to \$220,214 in 2016.

Cash Flow

For the three months ended September 30, 2017, the Corporation incurred a cash deficit from operating activities of \$90,959 compared to a cash deficit from operations of \$50,973 in 2016.

For the nine months ended September 30, 2017, the Corporation incurred a cash deficit from operating activities of \$68,162 compared to a cash deficit from operations of \$98,267 in 2016.

Net Loss

For the three months ended September 30, 2017, the Corporation had a net comprehensive loss of \$93,647 compared to a net comprehensive loss of \$63,765 in 2016. The increase in net loss was primarily due to higher operating costs due to well workover.

For the nine months ended September 30, 2017, the Corporation had a net comprehensive loss of \$225,749 compared to a net comprehensive loss of \$301,839 in 2016. The decrease in net loss was primarily due to higher sales revenue.

Liquidity

As at September 30, 2017, the Corporation had working capital of \$295,276, comprised of cash or cash equivalents, deemed sufficient for the Corporation to meet its ongoing obligations in the coming year.

Related Party Transactions

The following tables summarize the remuneration of directors and of other members of key management personnel during the three months ended September 30, 2017 and 2016:

	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2017
Consulting fees	\$ 26,350	\$ 26,350

Basis of Preparation and Statement of Compliance

The financial statements of the Corporation have been prepared using the historical cost convention and are in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee (IFRIC").

Changes in Accounting Policies

See Notes 3 to 4 in the financial statements for the three months ended September 30, 2017.

Off-Balance Sheet Arrangements

The Corporation has not engaged in any off-balance sheet arrangements.

Financial Instruments

The Corporation's financial instruments consist of cash, trade and other receivables, goods and services tax recoverable, and trade and other payables. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Disclosure of Outstanding Share Data

As at September 30, 2017 and the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	55,132,258 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Stock options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 1,049,000 Common Shares
Securities convertible or exercisable into voting or equity securities – agent's options	Unlimited	Nil
Securities convertible or exercisable into voting or equity securities – warrants	Warrants to acquire up to 38,546,055 common shares	Nil

Risks and Uncertainties

External financing will be required to fund the Corporation's activities primarily through the issuance of common shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities.

The Corporation has no meaningful revenues and does not expect to have any meaningful revenues in the near future. In the event that the Corporation generates any meaningful revenues in the future, the Corporation intends to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Outlook

Since completing the acquisition of the Fletwode Properties in Saskatchewan in May 2014, the Corporation has experienced significant improvement in its financial performance. The Corporation did not complete the amalgamation transaction with Shanghai Sinoil Energy Holding Corporation on the proposed closing date of June 30, 2015 as expected, and the proposed amalgamation agreement has expired and was terminated. Since then the Corporation has begun to seek and evaluate other opportunities.

Forward Looking Statements

This MD&A and other public announcements by the Corporation may contain information that is forward looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Corporation's future financial performance, business strategy, plans, goals, and objectives. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. In particular, forward-looking statements included in this MD&A include, but are not limited to, the focus of capital expenditures; expectations regarding the ability to raise capital; Petrox's future plans, operations and objectives; the completion and use of proceeds of the Financing; timing of adoption and implementation of new accounting policies and timing of the payment of dividends.

These statements involve known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, among other things: the ability of the Corporation to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; changes to the laws, rules, and regulations applicable to the Corporation; unavailability of financing; changes in government regulation; general economic conditions; general business conditions; escalating professional fees; escalating transaction costs; stock market volatility and ability to access sufficient capital from internal and external sources; inability to meet or continue to meet listing requirements; the inability to obtain required consents, permits or approvals, failure to realize the anticipated benefits of the QT and the risk that actual results will vary from the results forecasted and such variations may be material.

With respect to forward-looking statements contained in this MD&A, the Corporation has made assumptions regarding: timing and amount of capital expenditures; future exchange rates; conditions in general economic and financial markets; effects of regulation by governmental agencies and future operating costs.

Petrox's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Petrox will derive therefrom.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on the Corporation's future outlook and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The Corporation does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as expressly required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Additional Information

Additional Information regarding the Corporation can be found on the Corporation's filings at www.sedar.com.