

PETROX RESOURCES CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

The following discussion and analysis should be read in conjunction with the financial statements of the Corporation for the three-month period ended September 30, 2021 and all of the notes, risk factors and information contained therein.

Date

This management discussion & analysis ("MD&A") is dated November 25, 2021 and is in respect of the three-month period ended September 30, 2021.

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 under the policies of the Exchange, which consisted 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.

On November 14, 2018, the Corporation announced that it has terminated the Amalgamation Agreement among the Corporation, TrueNorth CX Inc. ("TrueNorth") and Petrox's wholly owned subsidiary, 2123054 Alberta Ltd.

On January 10, 2020, the Corporation announced that the letter of intent signed with Travel Plus has expired and was terminated. The termination of this proposed reverse take-over transaction was primarily due to Travel Plus's desire to carry out a corporate restructuring.

On April 1, 2020, the Corporation announced that the letter of intent signed with Good Time Mega Trade International Limited has expired and has therefore terminated. The parties elected not to extend the letter

of intent due to the impact on the business of Good Time with the global economic uncertainty as a result of the Covid-19 pandemic.

At the beginning of April 2020, the Corporation shut-in its oil producing wells at its Fletwode property in Saskatchewan due to low oil price resulted from the coronavirus pandemic. In June 2020, the Corporation restarted the production of its Fletwode property with the improvement of oil price.

Selected Financial Information

A summary of selected financial information is as follows:

	As at September 30, 2021	As at December 31, 2020
Total assets	\$343,393	\$349,470
Long-term financial liabilities	\$385,648	\$394,973
Total shareholders' equity	(\$100,099)	(\$106,958)
	Three months ended September 30, 2021	Three months ended September 30, 2020
Revenue	\$161,924	\$90,433
Net comprehensive income (loss)	\$33,857	(\$54,227)
Income (loss) per share – basic and diluted	\$0.001	(\$0.001)

For the three months ended September 30, 2021, the Corporation reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Summary of Quarterly Results

	2021			2020				2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Financial								
Production Revenue (000s)	\$168	\$149	\$109	\$81	\$93	\$36	\$104	\$154
Sales Volume (boe's)	2,110	2,126	1,719	1,701	2,030	763	2,203	2,399
Oper. Income/Loss (000s)	\$34	\$14	(\$41)	(\$105)	(\$54)	(\$201)	(\$66)	(\$34)
Income (Loss) per Share								
Basic	\$0.001	(\$0.000)	(\$0.001)	(\$0.002)	(\$0.001)	(\$0.004)	(\$0.001)	(\$0.001)
Diluted	\$0.001	(\$0.000)	(\$0.001)	(\$0.002)	(\$0.001)	(\$0.004)	(\$0.001)	(\$0.001)

	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Operations								
Production Volume (boe's)	2,088	2,065	1,890	1,724	2,004	592	2,196	2,306
Average Price (/bbl)	\$79.52	\$72.50	\$63.69	\$47.24	\$45.98	\$47.92	\$47.21	\$64.69
Royalty (/bbl)	\$2.82	\$2.34	\$2.11	\$1.50	\$1.44	\$0.87	\$1.71	\$2.52
Operating Cost (/bbl)	\$32.60	\$36.12	\$40.45	\$47.67	\$41.02	\$74.22	\$26.41	\$37.75
Netback (/bbl)	\$44.11	\$34.03	\$21.12	(\$1.93)	\$3.52	(\$27.17)	\$19.09	\$24.42

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, 2021, the Corporation recorded a total production of 2,088 barrels compared to 2,004 barrels in 2020 and an average daily production of 22.70 boe/d compared to 21.78 boe/d in 2020 from its production property in Fletwode, Saskatchewan.

For the nine months ended September 30, 2021, the Corporation recorded a total production of 6,045 barrels compared to 4,792 barrels for the same period in 2020 and an average daily production of 22.14 boe/d compared to 17.49 boe/d in 2020.

Sales Revenue

For the three months ended September 30, 2021, the Corporation recorded sales revenue before royalty payment of \$167,804 compared to sales revenue of \$93,324 in 2020. The increase in sales revenue is attributable primarily to higher oil price and higher production. In the third quarter of 2021, the Corporation received an average sale price of \$79.52 per barrel comparing to \$45,98 per barrel in 2020.

For the nine months ended September 30, 2021, the Corporation recorded sales revenue before royalty payment of \$431,437 compared to \$233,894 for the same period in 2020. The increase in sales revenue is attributable primarily to higher oil price and higher production. In 2021, the Corporation received an average sale price of \$72.44 per barrel compared to \$46,82 per barrel in 2020.

Royalties

For the three months ended September 30, 2021, the Corporation recorded total royalties of \$5,880, representing 3.5 percent of revenue, compared to \$2,891 or 3.1% of revenue in 2020.

For the nine months ended September 30, 2021, the Corporation recorded total royalties of \$14,710, representing 3.41% percent of revenue, compared to \$7,159 or 3.1% of revenue in 2020.

Operating Expenses

For the three months ended September 30, 2021, the Corporation incurred operating expenses totalling \$128,067 compared to \$144,660 in 2020. The decrease in operating expenses was primarily due to lower production costs and lower general and administrative expenses.

For the nine months ended September 30, 2021, the Corporation incurred operating expenses totalling \$409,868 compared to \$548,624 in 2020. The decrease in 2021 was primarily due to the impairment expense of \$155,185 incurred in 2020.

Operating Netback

	Three Months Ended Sept. 30, 2021
\$/boe	
Average Sales price	\$79.52
Royalties	(\$2.82)
Operating expenses	(\$32.60)
Operating netback	\$44.11

General and Administrative Expenses

For the three months ended September 30, 2021, the Corporation's general and administrative expenses were \$45,124 compared to \$49,771 in 2020.

For the nine months ended September 30, 2021, the Corporation's general and administrative expenses were \$146,255 compared to \$167,397 in 2020.

Depletion and Depreciation

For the three months ended September 30, 2021, the Corporation incurred \$12,567 or \$6.02 per boe in depletion and depreciation expense compared to \$12,008 or \$5.99 per boe in 2020.

For the nine months ended September 30, 2021, the Corporation incurred \$36,886 or \$6.10 per boe in depletion and depreciation expense compared to \$37,538 or \$7.83 in 2020.

Cash Flow

For the three months ended September 30, 2021, the Corporation had a cash provided by operations of \$55,086 compared to a cash deficit from operations of \$32,464 in 2020.

For the nine months ended September 30, 2021, the Corporation had a cash provided by operations of \$32,349 compared to a cash deficit from operations of \$167,491 in 2020.

Net Loss

For three months ended September 30, 2021, the Corporation had a net comprehensive income of \$33,857 compared to a net comprehensive loss of \$54,227 in 2020. The increase in income was primarily due to the increase of sales revenue with higher oil price and higher production.

For nine months ended September 30, 2021, the Corporation had a net comprehensive income of \$6,859 compared to a net comprehensive loss of \$321,889 in 2020. The increase in income was primarily due to increase in sales revenue and the shutdown of production in 2020 due to the pandemic.

Liquidity

As at September 30, 2021, the Corporation had working capital of \$101,864 comprised primarily of cash and receivables, 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, 2021 and 2020:

	<i>Three months ended Sept. 30, 2021</i>	<i>Three months ended Sept. 30, 2020</i>
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 period ended September 30, 2021.

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 June 30, 2021, 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	Nil
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 not generated sufficient revenues and does not expect to sufficient revenues in the near future. In the event that the Corporation generates sufficient 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

The company shut-in its oil production wells in its Fletwode property in Saskatchewan at the beginning of April, 2020 due to low oil price as a result of the Covid-19 pandemic. With the improvement of the oil price, the company restarted its production at its Fletwode property in June, 2020 and is looking forward to further improvement in oil price as the world economy gradually recovers from the economic downturn caused by the Covid-19 pandemic.

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.