

# PROAM EXPLORATIONS CORPORATION

## Management Discussion and Analysis

For the nine months ended September 30, 2019

This management discussion and analysis (“MD&A”) of financial position and results of operations is prepared as at November 19, 2019 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 of ProAm Explorations Corporation (“ProAm” or the “Company”) with the related notes thereto.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

Those consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements. All dollar amounts are expressed in Canadian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Description of Business**

ProAm Explorations Corporation is a junior mineral and oil and natural gas exploration and development company. The Company operates in Canada and the United States. Mineral exploration has been focused in both the United States and Canada while oil and natural gas activity has been primarily focused in the United States.

The Company, as a junior Exploration Company, has been putting its emphasis on mineral properties as economic conditions in natural gas markets appear to be awaiting further developments in the LNG markets.

Management continues to operate within the philosophy of living within its cash flow. Subject to a financing the Company has been able to obtain support from significant shareholders.

### **Mineral Properties**

#### **Samuel Lake Project**

Samuel Lake Property: Pursuant to certain agreements, the Company owns an undivided 100% interest, subject to a 2.5% NSR, in certain claims comprising the Samuel Lake Property.

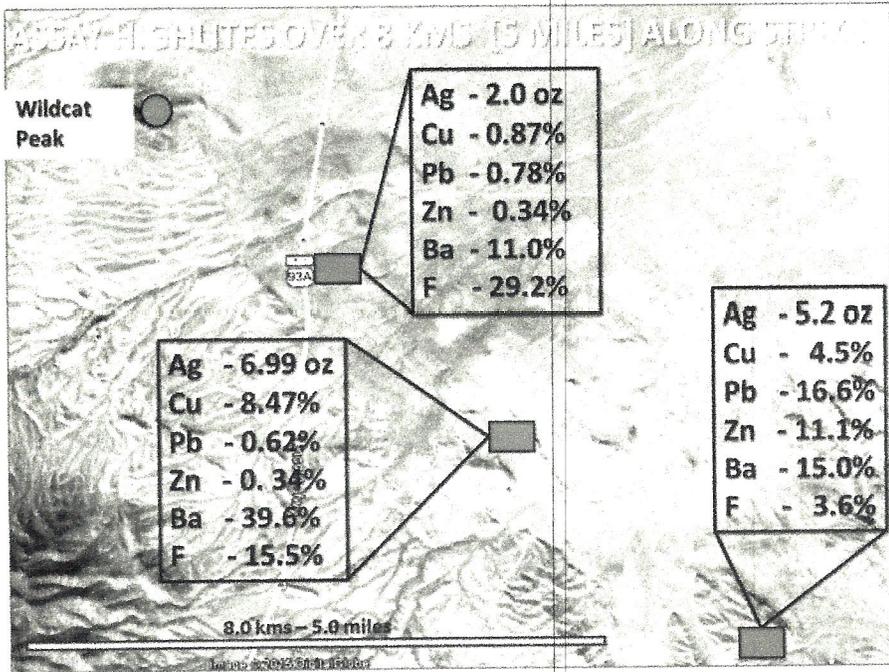
#### **Nevada, USA Jet Property**

In 2018 the Company entered into an option agreement to acquire an undivided 100% interest subject to 2.5% NSR, in certain claims comprising the Jet Property, located in Elko County, Nevada. The Company is currently preparing an exploration program to further the development of this property.

The Company has recently announced a non-brokered private placement raising gross proceeds of up to \$497,000 through the issuance of up to 7,100,000 units at a price of \$0.07 per unit. Each unit will be comprised of one common share of the Company and one-half common share purchase warrant. Each whole common share purchase warrant will allow the holder to acquire an additional common share of the Company at a price of \$0.15 per share for a period of two years from the date of closing of the non-brokered private placement (the “warrant”).

The Company's first objective is to a conduct drill program on its Nevada property

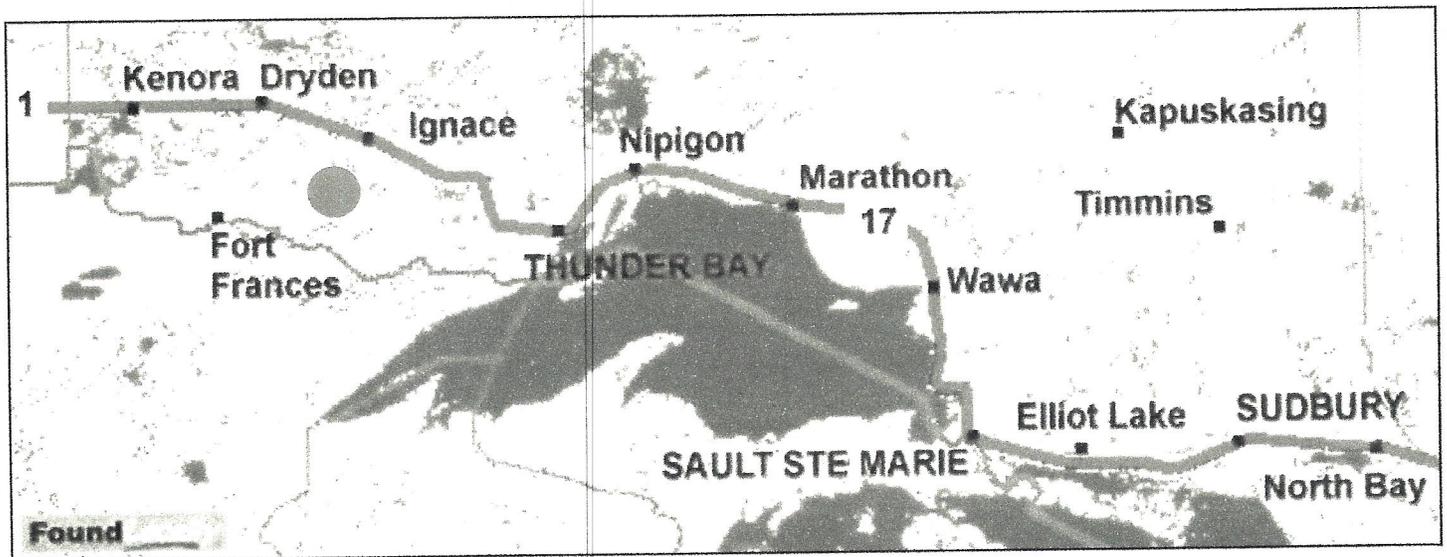
**Jet property – Nevada – Historical exploration activity results**



Significant exploration activity has occurred over the last three years including surface sampling and gravity modeling – gravity modelling was employed as the rock is not conductive. Very significant gravity highs are present along with anomalous dykes.

**Samuel Lake History and future expectation of activity**

This property is located near Atikokan, Ontario and this area has excellent services.



● Property location

Samuel Lake is prospect upon which some 30 exploratory holes have drilled by a combination of the Company and Teck. The mineralization is primarily nickel, copper, cobalt and PGMs (See table below). Whilst Samuel Lake has seen positive exploration its sister lakes, Whelan, Harnett and Surprise, in the immediate vicinity have only been subject to surface sampling and analysis as well as an airborne survey (see geography map below). There are many commonalities in the airborne signatures – that is they infer common response signatures. In September 2018 a program was initiated to collect additional surface samples, where available, from Whelan, Harnett and Surprise Lake to reaffirm the commonality of the rock types and chemistry. All 4 lakes, based upon these samples, are similar in their origin. With copper (2.50 +1b), Nickel (7.00 +1b), Cobalt (25K -30K MT) and PGM hanging in there this property deserves additional attention in the coming months.

The company has updated the geochemistry and geophysical data which was initially collected in 1998, at the time of the original discovery.

In August of 1998 prospectors discovered and sampled the area. One sample assayed 10.3 g/t platinum + palladium + gold, while eight other averaged 4.3 g/t platinum + palladium + gold, with significant values in copper and nickel.

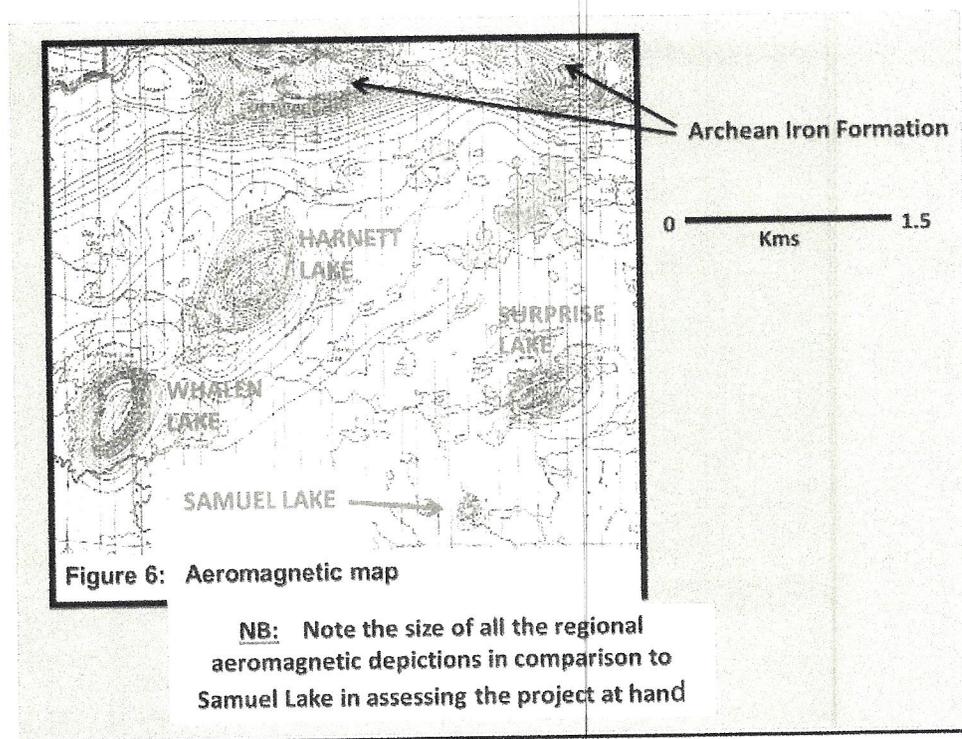
Work conducted at Samuel Lake consisted of grid controlled geological mapping, geochemical sampling, trenching, magnetometer, and Horizontal Loop Electro-Magnetic (HLEM) geophysical surveys over the claim area. The ground geophysics identified a 300m long HLEM conductor and associated magnetic anomaly under Samuels Lake.

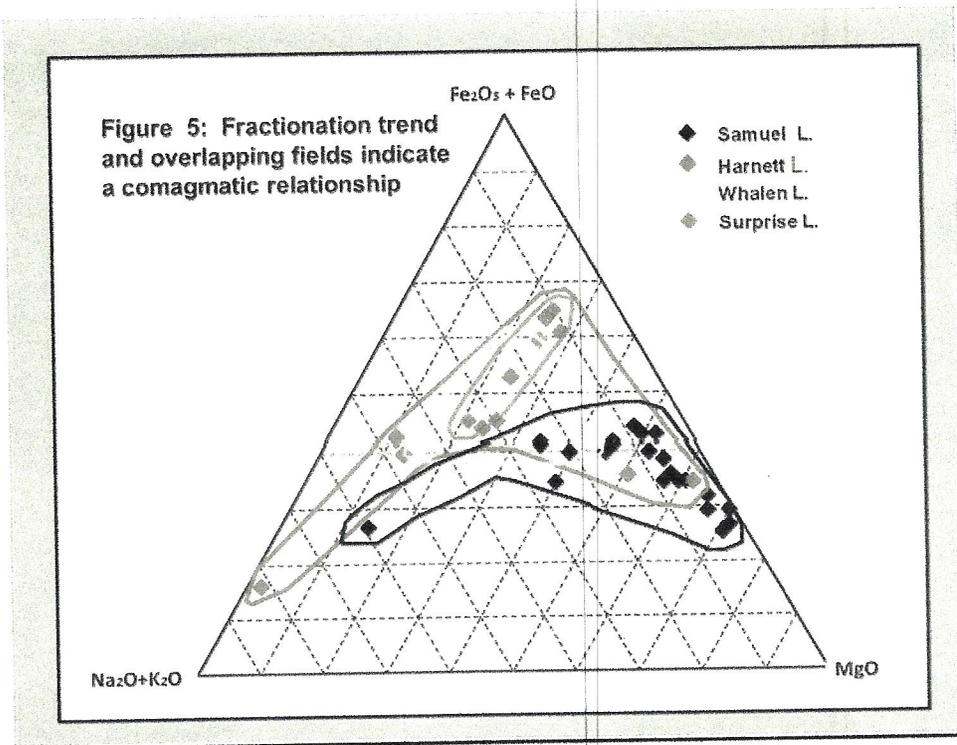
Diamond drilling targeted HLEM conductor under the lake was carried out March to October of 1999 for an aggregate total of 2,747.6 meters of NQ core in twelve drill holes. Drill holes SM 99-5, 6, 7, 8, 10 and 11 were subsequently used to carry out down-hole Crone Pulse EM Surveys which identified three significant off hole conductors.

In 2000 Fugro geophysics conducted an airborne EM survey over Samuel Lake and the 3 adjacent lakes. The adjacent lakes display aeromagnetic signatures like that of Samuel Lake. Each of these adjacent lakes have multiple conductive features which have never been drilled. Their lithology, when their chemistry is investigated, are common to Samuel Lake.

Geophysical surveys of the Samuel Lake property have been conducted by Mtec Geophysics in 1999, Fugro Airborne Surveys in 2000, Empluse Geophysics in 2005, and Teck Corporation in 2007. The Fugro AEM survey of 2000 included Whalen, Harnett, and Surprise Lake anomalies as well as Samuel lake.

Proam expects to conduct an exploration programs, subject to financing, in the coming months.





**Samuel Lake representative drill core samples**

HOLE #	From (m)	To (m)	Interval (m)	% Cu	% Ni	% Co
SM-99-3	71.71	141.05	69.34	0.22	0.15	0.07
Incl.	177.06	222.60	45.74	0.82	0.64	0.80
Incl.	208.00	213.33	5.33	1.74	1.13	0.80
SM-99-5	130.10	235.22	105.12	0.25	0.17	0.02
SM-99-6	73.60	229.38	155.78	0.28	0.20	0.02
SL-08-13	145.00	270.00	125.00	0.25	0.17	0.02
Incl.	231.60	261.90	30.30	0.48	0.30	0.04
Incl.	234.70	249.00	14.30	0.85	0.39	0.08
SL-08-14	109.90	273.50	163.60	0.20	0.14	0.02
Incl.	167.00	200.50	33.50	0.30	0.21	0.03
SL-08-15	102.00	291.00	189.00	0.14	0.08	0.01
Incl.	107.40	122.60	15.20	0.52	0.23	0.03
Incl.	107.40	110.50	3.10	1.30	0.57	0.07
Incl.	230.40	239.00	8.60	0.52	0.20	0.03
SL-08-16	237.60	240.40	2.80	0.25	0.20	0.03
SL-08-17	258.80	284.90	26.10	0.06	0.05	0.01
SL-08-18	NSV					
SL-08-19	285.00	317.00	32.00	0.04	0.05	0.01

**Table 1: (from NI 43-101 in 2011) Summary of significant intersections**

## **Oil and Natural gas**

### **Elder's Ridge Natural gas property**

OSEC Petroleum Inc., a wholly owned subsidiary, has a 100% working interest in 42 wells and a 50% working interest an additional well in this Appalachian natural gas field in Indiana County, Pennsylvania. These wells have been shut-in since late 2014 due to pipeline issues. Discussions are ongoing with a different pipeline to allow the natural gas from this property to be marketed. Further Shell Oil expects to complete a "cracker" facility in near future which will change the demand for natural gas in the immediate area. The economics of gas at recent prices have not been sufficient to induce pipelines to expand gathering systems in this immediate area. The Company remains confident that the natural gas that remains in the ground is and will be a valuable asset.

## **Oil and Natural Gas Production and Exploration**

### **Indiana County, Pennsylvania**

OSEC Petroleum Inc., a wholly owned subsidiary, has a 100% working interest – 75% net revenue interest in 41 non-producing oil wells in Indiana County, Pennsylvania. These wells have been shut-in since late 2014 due to pipeline issues. Discussions are ongoing with a different pipeline to allow the natural gas from this property to be marketed.

### **Arkansas**

The Company has a 10.1% working interest a well in Logan County Arkansas.

### **Oklahoma**

The Company has a 10.2% working interest a well.

### **Ohio**

The Company has two producing natural gas wells in Ohio.

### **Okotoks, Alberta, Canada**

Two wells, which are currently on production, are referred to as Okotoks 5-15-22-28W4 and Okotoks 6-15-22-28W4. The spacing units allow for two additional wells which await a better market environment.

There is significant price leverage associated with holding if as and when the pricing of natural gas improves

## **Results of Operations**

During the period ended September 30, 2019 the Company reported a net loss of \$33,635 compared to a net loss of \$19,891 for the period ended December 31, 2018. This net loss as at December 31, 2018 was impacted by an impairment charge on an Alberta property given pricing conditions in that market place due to pipeline issues.

Production revenue of \$22,963 was recorded during the period ended September 30, 2019 compared to \$27,720 recorded in the year ended December 31, 2018.

General and administrative expenses of \$17,388 (2018 - \$12,166) were recorded for period ending September 30, 2019.

### Selected Annual Financial Information

	For the year ended December 31, 2014	For the year ended December 31, 2015	For the year ended December 31, 2016	For the year ended December 31, 2017	For the year ended December 31, 2018
Total Revenues	172,512	66,949	31,709	35,022	26,408
Depletion & Amortization	80,763	27,843	13,198	6,440	4,502
Operations	107,152	71,665	33,918	25,150	23,583
General & Admin Expense	130,372	51,407	28,588	41,552	42,099
Income (loss) before extraordinary items and income taxes	102,890	(111,750)	(13,095)	47,751	43,776
Extraordinary impairment charge	-	-	-	-	71,567
Net Income (loss) after tax	102,890	(111,750)	(13,095)	(47,751)	(115,343)
Net Income (loss) per share before tax and comprehensive income	.01	(.01)	.001	(.01)	(.01)
Total Assets	\$ 668,055	\$ 584,297	\$ 565,513	\$ 528,007	\$ 487,342

Depletion increased significantly as the weaker pricing impact the reserve matrix.

### Selected Quarterly Financial Information

	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19
Revenue	10,415	6,007	8,255	7,731	4,203	15,786	(1,312)	7,656	10,346	4,961
Operations	8,105	3,556	7,992	5,521	5,628	10,113	3,888	4,393	7,384	4,777
Depletion, amortization and accretion	1	76	5,797	452	452	-	3,598	-	-	-
General and Administrative exp	19,994	439	21,119	1,308	1,308	20,433	19,050	7,528	14,401	27,388
Exploration Expense							71,567	-	-	2,257
Extraordinary impairment charge										
Comprehensive Income (loss) before taxes	(13,837)	3,818	(30,334)	(21,500)	(15,285)	(8,608)	(57,547)	19,383	-9,090	-33,635
Earnings per share before taxes *	(0.001)	0.001	(0.001)	(0.001)	(0.001)	(0.001)	(0.01)	(0.01)	(0.01)	(0.05)

### Liquidity and Capital Resources

- The Company had a working capital deficiency of \$67,487 and cash on hand of \$2,375 at September 30, 2019. This compares to a working capital deficiency of \$121,578 and cash on hand of \$4,952 at December 31, 2018. Further, be advised that certain petroleum related operators continue to charge fees when wells have been shut-in even if they know that further payments are unlikely. There is in excess of \$30,000 in this later category.

Other information relating to the company's oil and natural gas reserves may be viewed on the Sedar website on which a 51-101

compliant report entitled "Statement of Reserve Data and Other Oil and Gas Information" is posted.

### **Related Party Transactions**

A related party advance of \$90,957 was settled through the issuance of 1,819,146

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

### **Risk, Uncertainties and Outlook**

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Other risks facing the Company include competition for mineral and oil and natural gas properties, environmental and insurance risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Management is aware that material uncertainties exist, related to current economic conditions, which could adversely affect the Company's ability to continue to finance its activities. Management's plan may include continuing to pursue additional sources of financing and reducing overhead costs. As a result of the implementation of this plan, the use of existing working capital and revenue from oil and gas interests, management expects that the Company will have sufficient capital to fund operations and keep its resource interests in good standing for the upcoming fiscal year. Further discussion of liquidity risk has been disclosed in the audited financial statements.

The audited financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

### **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

### **Cautionary Statement on Forward-Looking Statements**

This MD&A contains forward-looking statements. Forward-looking statements are statements that relate to future events or to our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including:

- the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing oil and natural gas, and market demand;
  - the risks and uncertainties involving geology of oil and gas deposits;
  - the uncertainty of reserve estimates;
  - the uncertainty of estimates and projections relating to exploration, development and production costs and expenses;
  - potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
  - fluctuations in oil and gas prices, foreign currency exchange rates and interest rates;
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- health, safety and environmental risks;
- uncertainties as to the availability and cost of financing;
- risks in conducting foreign operations (for example, political and fiscal instability or the possibility of civil unrest);
- general economic conditions;
- the effect of acts of, or actions against, international terrorism;

### **Outstanding Share Data**

ProAm is a Tier 2 issuer and its shares are traded on the TSX Venture Exchange under the symbol PMX.

As at November 19, 2019 the Company has:

- a) 6,980,458 common shares outstanding on a consolidated basis after a 1 for 3 consolidation of shares and the issuance of 1,819,146 post consolidation shares to settle a debt of \$90,957.00
- b) nil stock options outstanding. Outstanding options expired May 15, 2019.

Additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com)

### **Contingencies**

The Company has no undisclosed contingencies as November 19, 2019

### **Off Balance Sheet Arrangements**

The Company has no undisclosed off balance sheet arrangements as at November 19, 2019