

PETRODORADO ENERGY LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

The following is management's discussion and analysis ("MD&A") of the operating and financial results of Petrodorado Energy Ltd. ("Petrodorado" or the "Company") for the three and nine months ended September 30, 2018, as compared to the three and nine months ended September 30, 2017, as well as information and expectations concerning the Company's outlook based on currently available information.

The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2018 and 2017, prepared in accordance with IFRS (as defined below), together with the accompanying notes, and the audited consolidated financial statements and related notes and MD&A for the year ended December 31, 2017. Additional information is available on SEDAR at www.sedar.com or on the Company's website at www.petrodorado.com.

All dollar values are expressed in US dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

This MD&A is prepared as of November 15, 2018.

NON-IFRS MEASURES

Funds used in operations include all cash used in operating activities and are calculated before the change in non-cash working capital. A reconciliation of cash used in operating activities to funds used in operations for the three and nine months ended September 30, 2018 and 2017, are as follows:

Funds used in operations (\$)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Cash used in operating activities	(17,155)	(92,343)	(371,994)	(341,483)
Change in non-cash working capital	12,547	26,239	42,759	(3,719)
Funds used in operations	(4,608)	(66,104)	(329,235)	(345,202)

The non-IFRS measure referred to above does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures used by other companies. Management uses this non-IFRS measurement for its own performance measures and to provide its shareholders and investors with a measurement of the Company's efficiency and of its ability to fund a portion of its future growth expenditures.

BUSINESS PROFILE AND STRATEGY

Petrodorado's head office is located in Calgary, Alberta, Canada, and the Company's shares are traded on the TSX Venture Exchange ("TSXV") under the trading symbol "PDQ". The Company, prior to 2015, was primarily engaged in petroleum and natural gas exploration and development activities in Colombia. The Company underwent a strategic reassessment which resulted in the disposal of or withdrawal from all exploration blocks in Colombia in which the Company had a direct participating interest. These transactions have enabled the Company to eliminate all previously existing operational obligations and future exploration and development commitments that were well in excess of capital available to the Company and that would have required additional financial resources.

Even though these events have improved the financial condition of the Company, the lack of cash inflow from operations may mean that any future strategic opportunities for the Company may require additional financing to execute. The Board of Directors and management have continued to review all potential transactions available to the Company with the mission to identify viable and lucrative opportunities that may provide the best future for the Company and the shareholders with the goal to maximize shareholder value.

In February 2018, the Company was in receipt of a letter from the Canada Revenue Agency (the "CRA") seeking further information regarding various historical transactions undertaken by Petrodorado. The Company is working with the CRA and has provided them the information that they have requested in order to support Petrodorado's tax filings. The Company believes the historic filings to be accurate and does not believe the Company has exposure to potential future liabilities related to this matter. The management team has continued to periodically inquire of the CRA regarding the progress of their review. As of the date of this MD&A, the Company awaits further communication from the CRA on the matter.

TERMINATION OF AMALGAMATION AGREEMENT

In August 2017, the Company entered into an amalgamation agreement, subsequently amended in November 2017, with Western Atlas Resources Inc. ("WAR"), pursuant to which WAR would amalgamate with Petrodorado's wholly owned subsidiary, 1128014 B.C. Ltd., which would continue as one corporation wholly owned by the Company. In March 2018, the Company and WAR mutually agreed to terminate the proposed Amalgamation. Pursuant to the termination of the amalgamation agreement, the Company made a payment of C\$250,000 to WAR, with no further commitments or responsibilities existing between the two parties thereafter.

Costs incurred in relation to the amalgamation transaction with WAR have been recognized as part of business development expenses for the nine months ended September 30, 2018. These expenses include, among other costs, the aforementioned C\$250,000 payment to WAR upon termination of the amalgamation agreement.

PRIVATE PLACEMENT

In June 2017, Petrodorado closed a non-brokered private placement (the "Private Placement") raising gross proceeds of \$756,400 (C\$1,000,000) through the issuance of 13,333,333 units (each, a "Unit") at a price of C\$0.075 per Unit. Each Unit consisted of one common share and one-half of one share purchase

warrant, with each full warrant entitling the holder to acquire an additional common share at an exercise price of C\$0.15 per share for a period of sixty months from the closing date, expiring in June 2022. Of the Units issued, 892,475 Units were issued to directors and officers of the Company. Proceeds of the Private Placement will be used for general corporate purposes.

DIVESTITURES

Bolivar Sale

In February 2017, the Company closed the sale and transferred the risks and rewards of ownership of its wholly-owned subsidiary Bolivar Energy (Colombia) Inc. and its Colombian branch office to a third party private company purchaser. Under the terms of the sale agreement, the Company received \$50,000 in cash consideration.

Royalty Disposal

In September 2017, the Company completed a transaction for the sale of the remaining aforementioned royalties and rights held on its exploration blocks in Colombia. These royalties had no carrying value, and were sold for proceeds of \$55,000, resulting in a gain on disposal of \$55,000.

DISCONTINUED OPERATIONS

Upon closing the divestitures outlined above, management has ceased operations in Colombia. As such, operating results of the Colombia segment for all comparative periods have been presented separately as discontinued operations due to the Company's decision to no longer maintain operations in Colombia.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity is to ensure a balance between expenditure requirements and cash used in by operations and working capital. As at September 30, 2018, the Company had working capital of \$1.1 million (down from \$1.5 million at December 31, 2017) comprised mostly of cash and cash equivalents. The increase in working capital in 2017 was due to the Private Placement with some offset by general and administrative costs of the Company.

While the Company has eliminated its exploration and development obligations by way of the divestiture of interests in all of its exploration blocks, and obtained the release from certain guarantees previously provided by Petrodorado on behalf of one of its Colombian subsidiaries (see "Commitment Summary Update" below), the Company still has no positive cash flow generating operations.

As the Company has no assets capable of generating cash flow, it will continue to exhaust its remaining financial resources to fund existing administrative budgets and potential strategic transactions for the foreseeable future. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern as it will be contingent upon the Company's ability to successfully identify and procure necessary capital, which may be by way of strategic transactions to obtain financing and/or generate profitable operations that are beneficial to the Company

and its shareholders. Management continues to make deliberate efforts to conserve Company finances while assessing future opportunities. Such efforts have included the elimination of compensation to management and directors as well as the reduction of contracted professional services to those only deemed necessary in the maintenance of the Company.

COMMITMENT SUMMARY UPDATE

On account of the aforementioned disposals and withdrawals, the Company's previous commitments relating to exploration activities in Colombia are no longer the obligation of the Company, including certain guarantees as originally provided by the Company on behalf of one of its Colombian subsidiaries recognized by the Agencia Nacional de Hidrocarburos (ANH) as the participating party in the associated exploration contracts for two of the blocks in which the Company previously held participating interests were still in place subsequent to the disposal of said participating interests. In June 2017, the ANH formally released the Company from these guarantees, liberating the Company from exposure to approximately \$11.9 million of estimated exploration responsibilities.

DISCUSSION OF OPERATING RESULTS

Continuing Operations

The Company's operating expenses, excluding the discontinued operations of Colombia as mentioned previously, remain as continuing operations. Unless specifically noted, all current and comparative reporting periods' financial disclosure and discussion relates to continuing operations.

General and Administrative Expenses

General and administrative expenses ("G&A") for the three and nine months ended September 30, 2018 were \$5,115 and \$74,967, respectively (\$60,281 and \$339,664 for the three and nine months ended September 30, 2017, respectively). The decrease in G&A is primarily due to an overall reduction in Company operations and overhead based on management's effort to conserve the Company's working capital and to prepare the Company for new opportunities in the future.

General and Administrative Expenses (\$)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Professional Fees	908	6,488	42,342	107,543
Wages & Salaries	-	49,241	-	190,142
Fees, Rent, Investor Relations and Other	4,207	4,552	32,625	41,979
Total	5,115	60,281	74,967	339,664

Business Development Expenses

Business development expenses for the three and nine months ended September 30, 2018 of \$4,022 and \$265,067, respectively. Costs incurred for arrangements for the amalgamation transaction with WAR previously described, including professional fees for preparations of all aspects necessary for shareholder review and approval by way of a special shareholders meeting, are included in business development

expenses for the three and nine months ended September 30, 2018. As well, the C\$250,000 payment to WAR upon termination of the amalgamation agreement is also included in this balance.

Foreign Exchange Gain/Loss

The Company generated a foreign exchange loss of \$1,093 and a foreign exchange gain of \$1,975 for the three and nine months ended September 30, 2018, respectively (foreign exchange losses of \$5,787 and \$32,403 for the three and nine months ended September 30, 2017, respectively). Foreign exchange losses are due to a decrease in the value of the US dollar when compared to the Canadian dollar and Colombian peso during each respective period. Conversely, foreign exchange gains are due to an increase in the value of the US dollar when compared to the Canadian dollar and Colombian peso in the comparative period.

Stock-Based Compensation

For the three and nine months ended September 30, 2018, the Company recorded stock-based compensation expense of \$19,419 and \$22,121, respectively (\$4,202 and \$11,963 for the three and nine months ended September 30, 2017, respectively). New options were granted in Q3 2018, with the vesting of these options accounting for the majority of stock-based compensation expense.

Funds used in Operations

For the three and nine months ended September 30, 2018, the Company used funds in operations of \$4,608 and \$329,235, respectively (funds used in operations of \$66,104 and \$345,202 for the comparative period to September 30, 2017, respectively). The decrease in funds used in operations relates primarily to reductions in general and administrative expenses when compared to 2017 while taking into account business development expenses incurred in 2018.

Discontinued Operations

Operating results of the Colombia segment for the periods ended September 30, 2018 and 2017 have been presented separately as discontinued operations due to the Company's decision to cease operations in this business segment.

Income and expenses allocated to the net loss from discontinued operations for the periods ending September 30, 2018 and 2017 are as follows:

Net income (loss) from discontinued operations (\$)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
General and administrative	-	-	-	(30,245)
Gain on Bolivar Sale	-	-	-	54,005
Gain on Royalty Disposal	-	55,000	-	55,000
Foreign exchange loss	-	-	-	(1,466)
Total	-	55,000	-	77,294

Net income of \$77,294 for the nine months ended September 30, 2017 was primarily the result of 1) a gain on disposal for the sale of the Company's wholly-owned subsidiary Bolivar Energy (Colombia) Inc. and its Colombian branch office to a third party private company purchaser, and 2) a gain on disposal for

the sale of royalties and rights held on certain exploration blocks in Colombia. These gains were partially offset by general and administrative expenses incurred up to the Company's departure from Colombia. Details of general and administrative expenses from discontinued operations for the periods ending September 30, 2018 and 2017 are as follows:

General and Administrative Expenses (\$)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Professional Fees	-	-	-	3,298
Wages & Salaries	-	-	-	7,729
Fees, Rent, Investor Relations and Other	-	-	-	19,218
Total	-	-	-	30,245

General and administrative expenses decreased from \$30,245 to nil for the comparative periods nine months ended September 30, 2018 to 2017, respectively. This is due to the Company's departure from Colombia and the cessation of all operations in that segment.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying values of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, approximate their fair values due to the short-term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

SHAREHOLDERS' EQUITY

Common shares

In June 2017, the Company issued 13,333,333 Units at an issue price of C\$0.075 per Unit for gross proceeds of \$756,400 (C\$1,000,000). Each Unit was comprised of one Class B Share of the Corporation and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one Class B Share of the Company at a price equal to C\$0.15 per share, until June 2022. The Company has allocated the total proceeds of \$756,400 (C\$1,000,000) to share capital of \$725,380 (C\$958,990) and warrants of \$31,020 (C\$41,010). The warrant fair value was determined based on a Black-Scholes option pricing model (see below). The issue costs on the Private Placement totaling \$18,563 (C\$24,541) were also allocated to share capital of \$17,802 (C\$23,535) and warrants of \$761 (C\$1,006).

At September 30, 2018, the Company was authorized to issue an unlimited number of Class B Shares, with no par value, with holders of Class B Shares entitled to two votes per share and to dividends, if declared. Outstanding Class B Shares as of September 30, 2018 were 23,274,268 (December 31, 2017 - 23,274,268).

	Common shares	Amount
Balance, January 1, 2017	9,940,935	\$ 87,213,177
Shares issued, net of costs	13,333,333	707,578
Balance, December 31, 2017 & September 30, 2018	23,274,268	\$ 87,920,755

Warrants

Pursuant to the Private Placement discussed previously, the Company issued 6,666,667 share purchase warrants. The warrants are exercisable immediately at a price of C\$0.15 per share until June 2022.

The warrants were allocated a value using the Black-Scholes option pricing model to estimate the fair value with the following weighted average assumptions:

Risk-free interest rate	1.17%
Expected dividend yield	0%
Expected stock price volatility	30%
Expected warrant life	5 years
Fair value of warrants granted	C\$0.006

Stock options

The Company has adopted a formal rolling stock option plan whereby options can be granted from time to time to directors, officers, employees and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding. A summary of the changes in stock options is presented below:

	Stock options	Weighted average exercise price (C\$)
Balance, January 1, 2018	668,000	\$ 0.65
Options issued	1,500,000	0.10
Balance, September 30, 2018	2,168,000	\$ 0.27
Exercisable, September 30, 2018	981,333	\$ 0.47

In July 2018, the Company granted 1,500,000 options to acquire common shares to certain directors and officers of the Company at a price of C\$0.10 per common share. The options are for a five-year term, expiring in July 2023, and vesting one-third on date of grant, one-third on the first anniversary date and one-third on the second anniversary date from the date of grant.

Options granted were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value with the following weighted average assumptions:

Expected forfeiture rate	10%
Risk-free interest rate	1.92%
Expected dividend yield	0%
Expected stock price volatility	137%
Expected option life	5 years
Fair value of options granted	\$0.037

The following summarizes information about stock options outstanding as at September 30, 2018:

Exercise prices (C\$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.10	2,060,000	4.34	873,333
3.50	108,000	0.35	108,000
	2,168,000	4.15	981,333

During the nine months ended September 30, 2018, the Company recognized \$22,121 (September 30, 2017 - \$11,963) in stock-based compensation expense. Recognized stock-based compensation expense is recorded as contributed surplus.

As of the date of this MD&A, the Company maintained balances of 23,274,268 Class B Shares, 6,666,667 warrants, and 2,168,000 stock options.

USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below.

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements:

i) Identification of cash-generating units

The Company's assets are aggregated into cash-generating units, for the purpose of calculating impairment, based on their ability to generate largely independent cash flows. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company's assets in future periods.

ii) Impairment of property, plant and equipment

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates of future cash flows, future costs, discount rates, market value of land and other relevant assumptions.

iii) Income taxes

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the

amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Key sources of estimation uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities, where applicable.

i) Business combinations

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed which includes assessing the value of oil and gas properties based upon the estimation of recoverable quantities of proven and probable reserves being acquired.

ii) Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

iii) Tax provisions

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

New standards and interpretations adopted on January 1, 2018

IFRS 9: Financial Instruments

On January 1, 2018, the Company adopted IFRS 9 "Financial Instruments", which includes a principle-based approach for classification and measurement of financial assets and a forward-looking 'expected credit loss' model. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on 1) the business model in which a financial asset is managed and 2) its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification and measurement of financial instruments under IFRS 9 did not have a material impact on the Company's consolidated financial statements.

Impairment of financial assets under IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortized cost, and contract assets and debt investments at FVOCI. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The application of the expected credit loss model to financial assets classified as amortized cost did not result in a material adjustment on transition.

IFRS 9 was applied retrospectively in accordance with transition requirements with no impact to opening retained earnings or comparative periods. Cash and cash equivalents, and trade and other receivables continue to be measured at amortized cost and are now classified as "amortized cost". The Company's financial liabilities previously classified as "other financial liabilities" being trade and other payables and accrued liabilities continue to be measured at amortized cost and are now classified as "amortized cost". The Company has not designated any financial instruments as FVOCI or FVTPL, nor does the Company use hedge accounting.

IFRS 15: Revenue from Contracts with Customers

The Company adopted IFRS 15 "Revenue from Contracts with Customers" effective January 1, 2018, which establishes a comprehensive framework for determining whether, how much, and when revenue from contracts with customers is recognized. The Company adopted IFRS 15 using the modified retrospective approach to contracts that were not completed at the date of initial application. Under this transitional provision, the cumulative effect of initially applying IFRS 15 is recognized on the date of initial application as an adjustment to retained earnings. No adjustment to retained earnings was required upon adoption of IFRS 15. The adoption of IFRS 15 did not materially impact the timing or measurement of revenue.

In addition, as a result of this adoption, the Company has revised the description of its accounting policy for revenue recognition. Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring a promised good or service to a customer. The amount of revenue recognized is based on the agreed transaction price with any variability in transaction price recognized in the same period. The costs associated with the delivery, including transportation, are recognized in the same period in which the related revenue is earned and recorded.

Recent Accounting Pronouncements

The following are new IFRS pronouncements that have been issued, although not yet effective and have not been early adopted, and may have an impact on the financial statements in the future as discussed below.

IFRS 16: Leases

On January 1, 2019, the Company will be required to adopt IFRS 16 "Leases" to replace the existing guidance of IAS 17 "Leases". The standard establishes principles and disclosures related to the amount, timing and uncertainty of cash flows arising from a lease. The Company does not expect any material impact from the adoption of this standard.

PRINCIPAL BUSINESS RISKS

The Company's business and results of operations are subject to a number of risks and uncertainties which include, but are not limited to, the following:

Going Concern

The Company has included a "going concern" qualification in the notes to the Company's interim condensed consolidated financial statements for the period ended September 30, 2018 (see "Going

Concern" under Note 2). Current cash resources of the Company may not be sufficient to continue its business activities. In the event that the Company is unable to raise additional capital and/or attain sufficient revenues from its operations, as to which in each case there can be no assurance, the Company may not be able to continue its operations.

Key Personnel

The Company's success depends in large part on the ability of its executive management team to deal effectively with complex risks and relationships and execute the Company's business plan. The members of the management team contribute to the Company's ability to obtain, generate and manage opportunities. There can be no assurance that the Company's present key personnel and directors will remain with the Company. The departure of any such key person or director may materially affect the Company's business, financial condition, results of operations, and the value of the Class B Shares.

Public Market Risk

There can be no assurance that an active trading market in the Company's securities will be sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which may be unrelated to the operating performance of particular companies.

Dividends

To date, the Company has not paid regular dividends on its outstanding securities and does not anticipate paying any dividends in the foreseeable future. There are no restrictions in the Company's articles or elsewhere which would prevent the Company from paying dividends. It is not contemplated that any dividends will be paid on the Class B Shares in the immediate future as it is anticipated that all available funds will be invested to finance the growth of the Company's business. The directors of the Company will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's earnings, financial position and other conditions at the relevant time. All of the Class B Shares are entitled to an equal share in any dividends declared and paid.

Failure to Maintain Listing of the Class B Shares

The Class B Shares are currently listed for trading on the facilities of the TSXV. The failure of the Company to meet the applicable listing or other requirements of the TSXV in the future may result in the Class B Shares ceasing to be listed for trading on the TSXV, which would have a material adverse effect on the value of the Class B Shares. There can be no assurance that the Class B Shares will continue to be listed for trading on the TSXV.

Structure of the Company

From time to time, the Company may take steps to organize its affairs in a manner that minimizes taxes and other expenses payable with respect to the operation of the Company and its subsidiaries. If the

manner in which the Company structures its affairs is successfully challenged by a taxation or other authority, the Company and the holders of Class B Shares may be adversely affected.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A offers an assessment of the Company's future plans and operations as of the date hereof and may contain forward-looking information. All statements other than statements of historical fact are forward-looking statements. Such information is generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "may", "plan", "will", "project", "should", "believe" and similar expressions. Statements relating to "reserves" or "resources" are also forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the resources and reserves described can be profitably produced in the future. All such statements involve known and unknown risks, uncertainties and assumptions.

Management believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking information included in this MD&A should not be unduly relied upon as the plans, assumptions, intentions or expectations upon which it is based may not occur. Actual results or events may vary from the forward-looking information.

In particular, this MD&A may contain forward-looking information pertaining to the following:

- the potential of the Company's assets,
- the Company's growth strategy and opportunities,
- expectations regarding the ability to raise equity and debt capital on acceptable terms, including the ability to negotiate and complete any agreements contemplated,
- the timing for receipt of regulatory approvals, and
- treatment of the Company under governmental regulatory regimes and tax laws.

The purpose of providing any financial outlook in this MD&A is to illustrate how the business of the Company might develop without the benefit of specific historical financial information. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking information herein is based on certain assumptions and analysis by the management of the Company in light of its experience and perception of historical trends, current conditions and

expected future developments and other factors that it believes are appropriate and reasonable under the circumstances. The forward-looking information herein is based on a number of assumptions, including but not limited to:

- the availability on acceptable terms of funds for capital expenditures,
- the availability in a cost-efficient manner of equipment and qualified personnel when required,
- the stability of the regulatory framework governing taxes and environmental matters any jurisdiction in which the Company may conduct its business in the future, and
- the impact of increasing competition on the Company.

The actual results, performance and achievements of the Company could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth elsewhere in the MD&A and the following risks and uncertainties:

- global financial conditions,
- general economic, market and business conditions,
- volatility in market prices, the stock market, foreign exchange and interest rates,
- the failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties,
- risks related to the timing of completion of the Company's projects and plans,
- competition for, among other things, capital, acquisitions of resources, and skilled personnel,
- incorrect assessments of the value of acquisitions,
- claims made in respect of the Company's properties or assets,
- environmental risks and hazards,
- the inaccuracy of third parties' reviews, reports and projections,
- rising costs of labour and equipment,
- the failure to engage or retain key personnel,
- changes in income tax laws or changes in tax laws and incentive programs, and
- other factors discussed under "Principal Business Risks" in this MD&A.

Readers are cautioned that the foregoing lists of assumptions, risks and uncertainties are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The forward-looking information speaks only as of the date of this MD&A, and the Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

SELECTED QUARTERLY INFORMATION

The following table sets out selected unaudited quarterly financial information of Petrodorado and is derived from unaudited quarterly financial data prepared by management in accordance with IFRS.

(\$)	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Total revenue	3,123	3,843	3,943	3,858
Net loss - Continued operations	(26,526)	(58,025)	(264,720)	(40,546)
Net income - Discontinued operations	-	-	-	-
Net loss	(26,526)	(58,025)	(264,720)	(40,546)
Comprehensive income (loss)	(8,286)	(81,861)	(304,618)	(50,616)
Net income (loss) per share (basic & diluted):				
Continued operations	(0.00)	(0.00)	(0.01)	(0.00)
Discontinued operations	-	-	-	-
Net loss	(0.00)	(0.00)	(0.01)	(0.00)

(\$)	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Total revenue	3,841	1,409	1,296	880
Net loss - Continued operations	(66,429)	(142,756)	(168,299)	(120,187)
Net income (loss) - Discontinued operations	55,000	-	22,294	(20,458)
Net income (loss)	(11,429)	(142,756)	(146,005)	(140,645)
Comprehensive income (loss)	55,772	(111,728)	(135,441)	(167,999)
Net income (loss) per share (basic & diluted):				
Continued operations	(0.00)	(0.01)	(0.02)	(0.01)
Discontinued operations	0.00	-	0.00	(0.00)
Net income (loss)	(0.00)	(0.01)	(0.02)	(0.01)

The net loss in Q4 2016 was predominantly the effect of general and administrative expenses in the quarter with a minor foreign exchange gain recognized in the quarter. The net loss in each of the four quarters of 2017 is the result of general and administrative expenses, stock-based compensation expense, and foreign exchange losses or gains incurred in each respective quarter, with the net loss in Q3 2017 being partially offset by the aforementioned realized gain on disposal of certain royalty assets. The net losses incurred in each quarter of 2018 largely consisted of business development expenses and general and administrative expenses.