

Pinedale Energy Limited.
Management's Discussion and Analysis
For the Nine Months Ended September 30, 2020

Introduction

Pinedale Energy Limited. (the "Company") was incorporated under the British Columbia Business Corporations Act on December 17, 2007. Pinedale was previously engaged in the identification, and the exploration and development of oil and gas properties via drilling and/or acquisition. The Company disposed of its subsidiary companies which own working interests in certain producing and undeveloped oil and gas leases, in July 2020. The address of the Company's registered office is Suite 1500 - 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

Additional Information

This Management Discussion and Analysis ("MD&A") has been prepared by the management of Pinedale and provides an analysis of the financial results of Pinedale's operations and financial results for the period ended September 30, 2020 and should be read in conjunction with the Company's condensed consolidated interim financial statements for the period ended September 30, 2020 as well as the audited financial statements and the notes thereto for the year ended December 31, 2019.

The Company reports its financial information in Canadian dollars and all dollar amounts are stated in Canadian dollars unless otherwise noted. The financial information presented in this MD&A is current as of September 30, 2020 and has been prepared in accordance with international financial reporting standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB") and related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A has been approved by the Company's Board of Directors on November 28, 2020.

Forward-Looking Statements

Information and statements contained in the MD&A that are not historical facts are forward-looking information within the meaning of Canadian securities legislation, and involve risk and uncertainty. This MD&A contains forward-looking information including estimations and statements which describe the Company's future activities.

In certain cases forward-looking statements can be identified by such words as "plans", "expects", "budgets", "estimates", "forecasts", "intends", "anticipates" and "believes" including the negative thereof, or variations of such words combined with statements that events "may", "might", "could" or "will" be taken. These forward-looking statements involve factors that may change resulting in actual results differing materially from those expressed. Examples include timing and outcome of litigations, receipt of regulatory approvals, and valuation models.

Forward-looking statements contain known and unknown risks and uncertainties which could cause actual performance to be materially different from any future results. These factors are discussed in the "Risks and Uncertainties" section in the MD&A.

While the Company has identified a number of risks that could affect the Company's actual events, this may not be an exhaustive listing and there could be other factors that could impact the actual results.

Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties. The statements contained in this MD&A speak only as of the date hereof, and the Company does not undertake any obligation to release publicly any revisions to these statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

COVID-19 and Its Effect on the Global Economy

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material

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disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company and its operations in future periods.

Overview and Outlook

Pinedale Energy Limited is a Canadian company previously focused on the development of its oil and gas properties situated in the Pinedale field area of southwest Wyoming, U.S.A. (the “Pinedale Properties”). The Company did not operate the Pinedale Properties and the Pinedale Properties are operated by designated Operators that are also joint interest owners in the leases. During the nine months ended September 30, 2020 the Company did not participate in the development of any new wells.

On July 29, 2020 the Company completed the sale of its wholly-owned subsidiary, 0970831 B.C. Ltd., and its indirect wholly-owned subsidiary, Pinedale Energy Inc. (the “Disposed Subsidiaries”), which held the oil and gas assets of the group, pursuant to a Share Transfer and Assignment agreement dated May 20, 2020 as announced in its news release of May 25, 2020 (the “Disposition”). Pursuant to the terms and conditions of the Share Transfer Agreement: (i) all of the issued and outstanding shares of 0970831 B.C. Ltd. were transferred to the purchasers; and (ii) all outstanding indebtedness of the Company owed to the purchasers, and all indebtedness owed to the Company by the Company's indirect wholly-owned subsidiary Pinedale Energy Inc., was assigned to and assumed by 0970831 B.C. Ltd.. At closing, the purchasers released the Company from any and all obligations related to any indebtedness owed to them by the Company and the Company has ceased all oil and gas exploration activities.

Full details of the Disposition are contained in the Company’s news releases dated May 25, 2020 and July 29, 2020 which can be viewed on SEDAR at www.sedar.com.

On October 6, 2020 the Company announced that further to its news releases dated May 25, 2020, June 26, 2020 and July 29, 2020 the Company has executed a definitive merger agreement (the “Merger Agreement”) with Flavocure Biotech, Inc. (“Flavocure”), and entered into an engagement letter with Leede Jones Gable Inc. in respect of a proposed offering by Pinedale of subscription receipts (each, a “Subscription Receipt”) pursuant to which Pinedale will raise gross proceeds of up to \$3,000,000 (the “Offering”), subject to a minimum Offering of \$1,500,000.

Pursuant to the Merger Agreement, Pinedale is required to implement a 10:1 consolidation of its outstanding Common Shares. Thereafter Flavocure will merge with Pinedale USA Inc. (“Pinedale Sub”) a wholly-owned subsidiary of the Company, (the “Proposed Transaction”). Upon completion of the Proposed Transaction, the resulting company (the “Resulting Issuer”) will continue to carry on the business of Flavocure, is expected to change its name to “Flavocure Biotech, Inc.” (which has already been approved by the shareholders of Pinedale), and is expected to remain listed on the TSX Venture Exchange (the “Exchange”). The shareholders of Flavocure will receive post-consolidation Common Shares of the Resulting Issuer based upon the exchange ratio, which is 65 post-consolidation Common Shares for each share of common stock of Flavocure. The board of directors and officers of the Resulting Issuer will be changed to appoint nominees determined by Flavocure.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to, the approval by the shareholders of Flavocure, and the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange. The approval by the shareholders of Pinedale is not required under Exchange policies.

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In connection with the Offering, each Subscription Receipt will be priced at a \$0.40 per Subscription Receipt and will entitle the holder thereof to receive one post-consolidation Common Share of the Resulting Issuer upon the completion of the Proposed Transaction. The net proceeds of the Offering are expected to be held in escrow and, upon the satisfaction or waiver of certain conditions (the “Escrow Release Conditions”), including all conditions to the closing of the Proposed Transaction, the net proceeds will be released to the Resulting Issuer.

If the Escrow Release Conditions are not satisfied by a stipulated deadline (currently anticipated to be February 28, 2021), then the escrowed funds will be returned to subscribers of Subscription Receipts, and Pinedale shall be required to contribute such amounts as are necessary to refund the aggregate Offering proceeds to such subscribers.

Flavocure is a private Delaware corporation with its head office in Baltimore, Maryland. Flavocure is pioneering drug research and development from botanical products aimed at providing cures for certain cancers. Flavocure has focused on the identification of flavonoid phytochemical properties that have demonstrated activity against cancer. In collaboration with some of the world’s highest regarded research institutions, Flavocure has made scientific breakthroughs in developing “small molecules” that demonstrate activity against therapeutically validated kinase mutation targets (i.e. cancer causing cellular mutations). This led to Flavocure’s success in obtaining United States Food and Drug Administration Orphan Drug designation for the drug Cresorol, which has been designated for the treatment of acute myeloid leukemia, also known as AML. Flavocure was recently issued a United States Patent for the treatment of cancers and Flavocure has also targeted pancreatic cancer and glioblastoma multiforme with its lead drug, Caflanone (known as FBL-03G).

Full details of the Proposed Transaction and Offering as well as details of the proposed directors and officers and of Flavocure are contained in the Company’s news releases dated June 26, 2020 and October 6, 2020 which can be viewed on SEDAR at www.sedar.com.

Financial Snapshot

The following table summarizes selected financial information reported by the Company for the nine-month periods ended September 30, 2020 and 2019.

	September 30, 2020 \$	September 30, 2019 \$
Total revenue (before royalties)	1,753,575	5,122,788
Net income (loss)	(198,075)	250,504
Basic earnings (loss) per share	(0.00)	0.00
Diluted earnings (loss) per share	(0.00)	0.00
Total assets	98,342	11,674,943
Total current and long-term debt	100,043	9,657,995

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Quarterly Financial Information

(\$000 except per share amounts)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenue (before royalties)	-	663	1,091	1,412	1,141	1,298	2,683	2,685
Funds from operations	118	154	194	130	187	265	1,168	935
Net income (loss)	26	(170)	(55)	783	(184)	(124)	558	(12,794)
Per share - basic	0.00	(0.00)	(0.00)	0.01	(0.00)	(0.00)	0.00	(0.41)
Per share - diluted	0.00	(0.00)	(0.00)	0.01	(0.00)	(0.00)	0.00	(0.29)
Total assets	98	11,426	12,396	12,170	11,675	11,602	12,778	13,326
Total current and long-term debt	100	8,796	9,224	9,273	9,658	9,508	10,092	11,201

Results of Operations

General and Administrative Expenses

(\$000)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
General and administrative expenses	26	386	556	1,097
Select items:				
Consulting fees	-	36	94	129
Interest	-	265	287	735
Professional fees	38	42	141	66

The significant differences between the three and nine month comparative periods is as a result of the disposition of the Company's Disposed Subsidiaries as discussed above. The results of the Disposed Subsidiaries are included only up to the date of disposition. The majority of the general and administrative expenses prior to the disposition were incurred in relation to the oil and gas activities which were recorded in the financial statements of the subsidiaries.

Liquidity and Capital Resources

The Company currently has no operations that generate cash flows. For the foreseeable future the Company will continue to rely upon its ability to raise financing through the sale of equity. This will be dependent on the Company identifying suitable projects that will attract investors. This will also require a general positive investor sentiment, which in turn will be influenced by a positive climate for precious metal exploration generally, the Company's track record and the experience and calibre of the Company's management, as well as global economic outlook.

There is no assurance that the Company will be able to access equity funding at the times and in the amounts required to meet the Company's obligations and fund activities.

In September 2020, the Company executed a promissory note of US\$75,000 to secure short-term financing for working capital purposes. The note is unsecured, interest free and is repayable on December 31, 2020.

At September 30, 2020, the Company had negative working capital of \$93,266.

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Share Capital

Authorized:

The Company is authorized to issue:

- An unlimited number of voting Class A common shares without par value; and
- An unlimited number of voting Class B common shares without par value.

Issued and outstanding:

As at the date of this MD&A, the Company has 112,472,114 class A shares issued and outstanding. As at September 30, 2020, there were no Class B shares outstanding.

Stock Options Outstanding

During the quarter the Company cancelled 1,314,064 stock options. As at the date of this MD&A there are no stock options outstanding.

Warrants

On April 30, 2016, the Company issued 999,999 warrants as part of a non-brokered private placement. These warrants have an exercise price of \$0.26 and expire on April 29, 2021.

On June 26, 2017, the Company issued 5,000,000 warrants as part of a non-brokered private placement. These warrants have an exercise price of \$0.26 and expire on June 26, 2022.

On October 26, 2017, the Company issued 5,000,000 warrants as part of a non-brokered private placement. These warrants have an exercise price of \$0.36 and expire on October 26, 2022.

As at September 30, 2020 the Company has a total of 10,999,999 warrants outstanding for which the weighted average exercise price and the weighted average remaining life was \$0.30 and 1.79 years, respectively.

Related Party Transactions

Transactions with related parties were in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

	September 30, 2020	September 30, 2019
Interest on promissory notes	\$72,462	\$277,397
Consulting Fees	\$60,000	\$108,000
Director Fees	\$11,483	\$9,000
Share based compensation	\$3,796	\$22,671

The promissory note discussed under financing activities is payable to two former directors of the Company. The promissory note payable is at agreed upon terms. During the period ended September 30, 2020, the Company paid \$72,462 (September 30, 2019: \$189,178) in interest on the promissory note.

During the period ended September 30, 2020, the Company paid \$36,000 (September 30, 2019: \$36,000) to an Executive officer/Director of the Company. During the same period, the Company paid \$24,000 in consulting fees to a different Executive officer of the Company (September 30, 2019: \$54,000).

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As at September 30, 2020, accounts payable and accrued liabilities included \$12,058 (September 30, 2019: \$40,767) due to Directors of the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments and Risk Management

Financial instruments

The Company classifies and measures its financial instruments at fair value through profit or loss with changes in fair value recognized in profit or loss as they arise ("FVTPL"), unless restrictive criteria regarding the objective and contractual cash flows of the instrument are met for classifying and measuring at either amortized cost or fair value through other comprehensive income. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Regular purchases and sales of FVTPL financial assets are accounted for at the trade date, as opposed to the settlement date.

All financial liabilities are designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recorded at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The Company's financial instruments have been classified as follows under IFRS:

- Fair value through profit or loss: Financial instruments under this classification include cash and derivative assets and liabilities.
- Amortized cost: Financial instruments under this classification include accounts receivable, accounts payable, accrued liabilities, promissory notes and long-term debt.

Risk management

The types of financial risk exposure and the way in which such exposure is managed by the Company is as follows:

Credit Risk – Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk primarily associated with cash and other receivables. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits exposure to credit risk by maintaining its cash with institutions of high creditworthiness.

Liquidity Risk – Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows, capital expenditures and cash holdings. The Company believes that these sources should be sufficient to cover the likely short term requirements. In the long term, the Company may have to issue additional shares to ensure there is cash available for its programs. All current financial liabilities, being accounts payable and accrued liabilities, are payable within a 90 day period and are to be funded from cash.

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Market Risks – The Company is exposed to various market risks including commodity price risk, interest rate risk and foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk as there is no interest bearing debt.

Foreign exchange risk

Foreign exchange risk arises from the changes in foreign exchange rates that may affect the fair value or future cash flows of the Company's financial assets or liabilities. The Company currently operates in Canada and other than a promissory note of US\$75,000, does not have any financial instruments or debts denominated in currencies other than the Canadian Dollar.

Commitments

The Company currently has no commitments.

Controls and Procedures

Management has established disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the Company's Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which the annual and quarterly filings are being prepared.

Legal Matters

The Company is not currently and has not at any time during its most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions.

Risks and Uncertainties

The Company is subject to various risks and uncertainties, including, but not limited to, those listed below.

Continuance of operations - The Company's consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company incurred a net loss of \$198,075 for the nine months ended September 30, 2020, and as of that date, the Company had a deficit of \$6,107,549 and negative working capital of \$93,266. The Company has no source of revenue and does not have sufficient cash to meet its debts and administrative overhead. The continuity of the Company's operations is dependent on the ability to raise equity capital or borrowings sufficient to meet current and future obligations.

Financing Ability – The Company's ability to continue development and acquisition efforts will require investments from equity investors. The Company may incur operating losses as it pursues new business opportunities. There is no guarantee that the Company will be successful in completing an economically viable transaction which would attract further funding.

Dependence on Key Employees – The Company's future growth and its ability to develop its projects depends, to a significant extent, on its ability to attract and retain highly qualified personnel. The Company is highly dependent on the principal members of its senior management group and the loss of their services could impede the Company's business strategy and growth.

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Conflicts of Interest – Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies or may have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will declare their conflict and will abstain from voting for or against the approval of such participation or such terms.

Proposed Transaction and proposed Financing – The Company can make no assurance that the closing of the Proposed Transaction and/or the Proposed Financing (as more fully detailed in the Company's news releases of May 25, 2020, June 26, 2020 and October 6, 2020) will occur by certain specified dates or at all and the final terms of such actions or events could differ materially as a result of known or unknown risk factors or uncertainties affecting the Company and its counterparties.