JERICHO OIL CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
For the interim period ended September 30, 2019
(Expressed in CDN$ unless otherwise indicated)

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Jericho Oil Corporation ("Jericho" or "the Company") for the period ended September 30, 2019 is dated November 27, 2019 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended September 30, 2019, as well as the Company's audited consolidated annual financial statements for the year ended December 31, 2018. The unaudited condensed interim consolidated financial statements and the audited consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board.

INTRODUCTION

Jericho was incorporated on October 21, 2010 under the Laws of British Columbia and was listed on the TSX Venture Exchange after completion of its initial public offering on May 29, 2012. The Company's name, formerly Dakar Resource Corp., was changed on February 27, 2014. The Company trades on the TSX Venture Exchange under the symbol "JCO", and on the United States OTC exchange under the symbol "JROOF". The head office, principal address and records office of the Company are located at Suite 350, 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7.

The Company incorporated a subsidiary, Jericho Oil (Kansas) Corp., in the State of Delaware, United States, on January 27, 2014, and another subsidiary, Jericho Oil (Oklahoma) Corp., also in the State of Delaware, on February 18, 2015.

Jericho is an independent crude oil and natural gas company engaged in the exploration, development and production of crude oil and natural gas in the United States of America (USA). Jericho's operations are primarily focused on exploration and development activities in the Mississippi Lime, Woodford Shale and Hunton formations in Central and Northeast Oklahoma. The Company has approximately 55,000 net acres of developed and undeveloped acreage.

Jericho conducts its operations through its subsidiaries and various joint arrangements in the states of Oklahoma and Kansas. The Company classifies its interests in joint arrangements as either joint operations (if Jericho has rights to the assets and obligations for the liabilities relating to an arrangement), or joint ventures (if Jericho has rights only to the net assets of an arrangement).

In the case of a joint operation, the Company combines its share of the joint operations' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Company's consolidated financial statements. Jericho's oil and gas interests in Kansas are considered joint operations and therefore it records its proportionate share of revenues, expenses, assets and liabilities in its consolidated financial statements.

In the case of a joint venture whereby the participating parties have joint control and only rights to the net assets of the arrangement, the Company accounts for its interests using the equity method. Under the equity method of accounting, the carrying amount of the investment reflected on the Consolidated Statement of

Financial Position as Equity investments is adjusted to recognize changes in Jericho's share of net assets of each joint venture since the acquisition date less distributions received or any impairments. Jericho's share of the results of operations of its joint ventures and associates is reflected on the Consolidated Statement of Comprehensive Income (Loss) as Share of income (loss) from equity investments.

As of September 30, 2019, the majority of Jericho's oil and gas operations were held in Oklahoma with operations conducted through various joint ventures and associates accounted for using the equity method. At September 30, 2019 and December 31, 2018, the Company held the following joint ventures and associates in Oklahoma:

	September 30, 2019	**December 31, 2018**
Eagle Road Oil, LLC ("Eagle Road")	50 %	50 %
Lurgan Oil, LLC ("Lurgan")	50 %	50 %
Jericho Buckmanville Oil, LLC ("Buckmanville")	50 %	50 %
RSTACK Walnut, LLC ("Walnut")	26.5 %	26.5 %
Cherry Rancher, LLC ("Cherry Rancher")	31 %	31 %

The following discussion will summarize the results of operations for Jericho and its related joint arrangements in Kansas and Oklahoma.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Jericho's joint ventures in Central Oklahoma continue to operate with a goal of maximizing cash flow through cost reduction efforts during the current environment of commodity price unpredictability. The Anadarko Basin STACK play continues to be Jericho's primary focus for growth. The decrease in oil prices experienced since fourth quarter 2018 has impacted the Company's results of operations and has temporarily impacted the timing of the Company's drilling activities in 2019.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

The following table summarizes the results of operations for Jericho for the three and nine months ended September 30, 2019, compared with the same periods of 2018.

Consolidated Statements of Income (Loss)
(Expressed in Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Net crude oil revenue	**$ 56,942**	$ 106,273	**$ 177,218**	$ 319,127
Operating expenses				
Production costs	**67,201**	66,364	**191,787**	195,419
Depletion, depreciation and amortization	**28,356**	17,113	**86,269**	53,971
Accretion of decommissioning liabilities	**1,083**	1,041	**3,269**	3,077
General and administrative expenses	**450,637**	595,092	**1,404,742**	2,530,235
Foreign exchange (gain) loss	**(38,989)**	59,573	**74,962**	(63,247)
Total operating expenses	**508,288**	739,183	**1,761,029**	2,719,455
Share of loss from equity investments	**(636,416)**	(488,734)	**(1,865,513)**	(1,048,187)
Operating loss	**(1,087,762)**	(1,121,644)	**(3,449,324)**	(3,448,515)
Other income (loss)				
Interest income	**32**	—	**136**	—
Other loss	**(531)**	(20,932)	**(1,905)**	(20,932)
	(499)	(20,932)	**(1,769)**	(20,932)
Loss before income tax	**$ (1,088,261)**	$ (1,142,576)	**$ (3,451,093)**	$ (3,469,447)
Income tax				
Income tax expense	—	(23)	—	(3,207)
Loss for the period	**$ (1,088,261)**	$ (1,142,599)	**$ (3,451,093)**	$ (3,472,654)

As reflected in the table above, the Company experienced an improvement in net loss during the third quarter 2019 compared with the same period of 2018. The improvement in net loss was primarily a result of the combination of reduced general and administrative expenses at our head office and foreign exchange gains, partially offset by higher share of loss from equity investments.

During the nine months ended September 30, 2019, favorable reductions in general and administrative expense were offset by a greater loss from equity investments. The results of operations of Jericho's joint ventures and associates are discussed below.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

Joint Venture and Equity Investment Operating Statements to September 30, 2019

The following tables presents a reconciliation of 100% joint venture partners' income to Jericho's share of income (loss) from equity investments for the nine months ended September 30, 2019 and 2018 based on IFRS. Please also refer to the Company's share of investment in the Joint Ventures in Canadian dollars under IFRS in Note 5 of the unaudited condensed interim consolidated financial statements for the period ended September 30, 2019.

Nine Months Ended September 30, 2019	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
100% Net income (loss) in US$	(1,213,149)	(124,269)	(635,021)	(1,594,816)	14,751	(3,552,504)
100% Net income (loss) in CDN$	(1,612,574)	(165,185)	(844,098)	(2,119,902)	19,608	(4,722,151)
Jericho's ownership	50 %	50 %	50 %	26 %	31 %	
Jericho's share of net income (loss) in US$	(606,575)	(62,135)	(317,511)	(421,785)	4,567	(1,403,438)
Jericho's share of net income (loss) in CDN$	**$ (806,287)**	**$ (82,592)**	**$ (422,049)**	**$ (560,656)**	**$ 6,071**	**$ (1,865,513)**

Nine Months Ended September 30, 2018	**Eagle Road**	**Lurgan**	**Buckmanville**	**Walnut**	**Cherry Rancher**	**Total**
100% Net income (loss) in US$	(771,884)	(253,622)	(558,301)	(111,240)	23,450	(1,671,597)
100% Net income (loss) in CDN$	(993,878)	(326,564)	(718,868)	(143,231)	30,195	(2,152,346)
Jericho's ownership	50 %	50 %	50 %	26 %	31 %	
Jericho's share of net income (loss) in US$	(385,942)	(126,811)	(279,151)	(29,420)	7,260	(814,063)
Jericho's share of net income (loss) in CDN$	**$ (496,939)**	**$ (163,282)**	**$ (359,434)**	**$ (37,881)**	**$ 9,349**	**$ (1,048,187)**

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

Statement of 100% Joint Venture Partners' and Associates' Income (US$)

The presentation below reflects the operations in the currency in which revenue prices are denominated. It also presents the combined joint ventures and equity Investments as viewed by investors, lenders, and American readers of the financial performance of the combined entity.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Oil (BBL)	**30,828**	39,939	**100,353**	120,832
NGL (BBL)	**11,733**	14,348	**37,393**	44,910
Natural gas (MCF)	**89,253**	128,261	**313,242**	342,335
Total sales (BOE)	**57,437**	75,662	**189,953**	222,797
Average daily sales (BOE/d)	**624**	822	**696**	816
Average daily sales (BOE/d) net to JCO	**263**	330	**290**	338
Operating Results Per BOE:	**USD$**	USD$	**USD$**	USD$
Oil sales ($/BBL)	**$ 54.74**	$ 70.04	**$ 55.09**	$ 65.57
NGL sales ($/BBL)	**13.79**	27.18	**17.52**	26.90
Natural gas sales ($/MCF)	**1.64**	2.31	**2.17**	2.35
Total sales ($/BOE)	**34.75**	46.04	**36.13**	44.60
Lease operating expenses ($/BOE)	**$ 21.40**	$ 17.37	**$ 17.97**	$ 17.80

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

Statement of 100% Joint Venture Partners' and Associates' Income (US$)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Operating Results:				
Oil sales	**$ 1,687,467**	$ 2,797,224	**$ 5,528,386**	$ 7,922,937
NGL sales	**161,800**	389,902	**655,134**	1,208,133
Natural gas sales	**146,674**	296,131	**678,804**	806,198
Product revenues	**1,995,941**	3,483,257	**6,862,323**	9,937,268
Lease operating expenses	**1,229,191**	1,314,254	**3,414,282**	3,966,260
Production taxes and deductions	**226,242**	363,375	**797,560**	1,044,926
Depreciation, depletion, and amortization	**1,138,847**	1,622,351	**3,729,470**	3,551,527
Accretion expense	**54,300**	30,130	**162,219**	93,708
General and administrative	**492,205**	610,510	**1,773,269**	1,612,691
Other operating expense (income)	**3,408**	(1,688)	**(16,015)**	38,288
Total operating costs and expenses	**3,144,193**	3,938,933	**9,860,784**	10,307,400
Operating income	**(1,148,252)**	(455,675)	**(2,998,461)**	(370,132)
Realized (gain) loss on derivatives	**(13,932)**	169,612	**(5,292)**	303,179
Unrealized fair value (gain) loss on derivatives	**(22,029)**	131,339	**236,475**	728,545
Interest income	**(6,814)**	(4,976)	**(9,539)**	(9,802)
Interest expense	**109,569**	109,831	**332,398**	279,542
Joint venture net income (loss) as reported	**$ (1,215,047)**	$ (861,481)	**$ (3,552,504)**	$ (1,671,596)

Joint venture net income (loss) as reported	**$ (1,215,047)**	$ (861,481)	**$ (3,552,504)**	$ (1,671,596)
Depreciation, depletion, and amortization	**1,138,847**	1,622,351	**3,729,470**	3,551,527
Accretion, plus	**54,300**	30,130	**162,219**	93,708
Unrealized fair value (gain) loss on derivatives	**(22,029)**	131,339	**236,475**	728,545
Interest expense, plus	**109,569**	109,831	**332,398**	279,542
Non-cash adjustments, plus	**33,200**	—	**84,366**	117,409
Total adjusted joint venture income (1)	**$ 98,841**	$ 1,032,170	**$ 992,424**	$ 3,099,135

(1) Adjusted joint venture income is a "Non-GAAP" measure. Refer to section entitled "NON-GAAP MEASURES" at the end of this MD&A.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (continued)

Statement of 100% Joint Venture Partners' and Associates' Income (US$) (continued)

Results for the three and nine months ended September 30, 2019

Results of operations for the Company's joint venture interests during the third quarter of 2019 were impacted by a combination of lower oil, natural gas and NGL sales volumes and prices. Total sales volumes of the joint ventures on a barrel of oil equivalent basis decreased approximately 24 percent for the third quarter of 2019 compared to third quarter 2018, primarily as the result of less drilling activity in 2019 and natural declines of horizontal wells drilled during 2018, coupled with a 25 percent decrease in the realized price per barrel of oil equivalent. In addition, operations in the Eagle Road joint venture were significantly impacted by an unscheduled outage on the purchaser's natural gas gathering system, resulting in lower product sales volumes and higher operating expenses for the third quarter.

Operating revenues and costs were also impacted during the second quarter of 2019 as several of Jericho's joint ventures were impacted by severe weather in Oklahoma. No permanent damage was sustained, but several power outages and flooding required the temporary suspension of operations in some areas and a delay in scheduled reworks. The cumulative impact of these events caused the three joint venture companies (including Eagle Road, Lurgan and Buckmanville) to be in breach of the leverage covenant of their credit facility for the third quarter of 2019. The lender granted a waiver for the breach and agreed to re-set the leverage covenant to restart in the fourth quarter of 2019 and has taken no other action against the joint venture companies.

During the fourth quarter of 2018, oil prices decreased approximately 40 percent from their highest point reached in 2018. Although oil prices improved in the first nine months of 2019 compared with the 2018 year-end prices, the Company's joint ventures' average sales price of $55.09 resulted in an overall 16 percent decrease in realized oil sales prices year-to-date compared with 2018. The combination of lower oil sales volumes and sales prices were the primary factors that resulted in lower product revenues during 2019 compared with 2018.

During 2019, the joint ventures also experienced higher depreciation, depletion and amortization expense primarily due to revisions in reserve estimations at year-end 2018.

See Liquidity and Capital Resources for additional disclosure regarding financing during 2019 and 2018.

ENVIRONMENTAL LIABILITIES

We recognize that there are concerns over the potential environmental effects of developing oil and gas projects. We are researching methods to improve extraction and processing to enhance the sustainability of our projects. We accrue environmental and reclamation obligations over the life of our oil and gas production operation.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of the MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

SELECTED FINANCIAL INFORMATION

SUMMARY OF QUARTERLY RESULTS (CDN$)

Quarter Ended	9/30/2019	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
Loss for the period	(1,088,261)	(981,806)	(1,381,026)	(591,815)	(1,142,599)	(1,284,841)	(1,045,214)	(570,677)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

During third quarter 2019, the Company recorded a loss of $1.1 million, representing a greater loss than the second quarter. The Company continues to lower general and administrative costs at its head office, but also experienced lower equity income during the period.

During second quarter 2019, the Company recorded a loss of $982 thousand. The loss was lower than first quarter 2019 primarily a result of lower general and administrative costs at its head office and higher income from equity investments. The Company's share of income from equity investments increased primarily because its joint ventures recorded unrealized fair value losses on derivatives in first quarter 2019.

During first quarter 2019, the Company recorded a loss of $1.4 million. The loss was primarily a result of lower income from equity investments compared with fourth quarter 2018. The Company's share of income from equity investments decreased because its joint ventures recorded unrealized gains on derivate contracts in fourth quarter 2018. The joint ventures also recorded higher depletion expense compared with previous periods.

During fourth quarter 2018, the Company recorded a loss of $592 thousand. Results of the Company's share of loss from equity investments for fourth quarter 2018 included a $570 thousand impairment charge net to Jericho, which was more than offset by a $975 unrealized gain on derivatives. The unrealized gain on derivatives resulted from derivative contracts in place and the relative change in future oil price expectations.

During third quarter 2018, the Company recorded a loss of $1.1 million, an improvement from second quarter 2018. The comparable increase in income was primarily a result of lower general and administrative costs.

During second quarter 2018, the Company recorded a loss of $1.3 million. The comparable decrease in income was primarily a result of lower share of income from equity investments compared with first quarter 2018.

During first quarter 2018, the Company recorded a loss of $1.0 million. During the quarter, the Company experienced higher general and administrative costs related to increased investor relations activity compared with previous periods.

In fourth quarter 2017, the Company recorded a loss of $571 thousand. The loss improved compared with the previous period due to lower foreign exchange losses and lower stock compensation expense. In addition, two of the Company's joint ventures recorded significant non-cash impairment charges, which were partially offset by deferred tax recovery gains related to the impairments and changes in U.S. corporate tax laws enacted at the end of 2017.

SELECTED ANNUAL INFORMATION

The following table shows selected financial information for the years ended December 31:

	Year ended 2018	Year ended 2017	Year ended 2016	Year ended 2015
Revenue	$ 408,773	$ 391,431	$ 410,235	$ 678,711
Net income (loss)	(4,064,469)	(6,014,776)	1,542,032	(1,099,358)
Net income per share	(0.03)	(0.07)	0.02	(0.02)
Cash	3,963,688	5,292,783	5,045,170	1,675,131
Total assets	44,184,054	42,916,838	27,523,020	19,793,963
Total current financial liabilities	$ 271,627	$ 244,493	$ 362,850	$ 175,275

LIQUIDITY AND CAPITAL RESOURCES

The activities of the Company, principally the acquisition and development of prospective oil and gas properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants, credit financing and cash flow from production.

There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. The Company has increasing but limited operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and other financing equity or credit financing to maintain its capacity to meet ongoing operating activities. As of September 30, 2019, the Company had a working capital (or current assets minus current liabilities) surplus of $2.0 million, including $2.3 million held in cash.

Liquidity requirements are managed based upon forecast cash flows to ensure that there is working capital to meet the Company's obligations. The Company's liquidity as of the date of the MD&A is sufficient to meet the Company's corporate, administrative and commitments for the next twelve months, notwithstanding any unexpected events. The Company's main funding requirements are for its development of its Oklahoma oil interests and corporate overheads. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions and/or commodity price changes and economic downturn. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations.

Jericho has not completed any capital raises during the three and nine months ended September 30, 2019. The following section details the capital raises Jericho achieved during 2018.

During fourth quarter 2018, 791,026 stock options were exercised at an average price of $0.30 per share for gross proceeds of $237,308.

During third quarter 2018, 500,00 stock options were exercised at an average price of $0.30 per share for gross proceeds of $150,000.

During second quarter 2018, 365,729 warrants were exercised at $0.60 per share for proceeds of $219,437, and 375,000 options were exercised at $0.30 per share for proceeds of $112,500.

During first quarter 2018, 9,023,560 warrants were exercised at $0.60 per share for proceeds of $5,414,136.

On January 9, 2018 the Company closed a non-brokered private placement of 3,784,946 units at a price of $0.60 per unit for gross proceeds of $2,270,968. Each unit is comprised of one common share and one-half warrant with each full warrant entitling the holder to purchase one common share of the Company at a price of $0.90 per share for a period of 24 months from closing.

TRANSACTIONS WITH RELATED PARTIES

Key management are the officers and directors of the Company. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Nine Months Ended	
	September 30, 2019	**September 30, 2018**
Management fees	$ 332,146	$ 518,853
Directors' fees	30,000	40,000
Share-based payments	5,258	99,413
	$ 367,404	$ 658,266

At September 30, 2019, included in accounts payable and accrued liabilities is $Nil payable to directors of the Company (2018 - $15,750).

Accounts payable and accrued liabilities to related parties are non-interest bearing, due on demand and with no specific terms of repayment.

NEW ACCOUNTING STANDARDS

New accounting standards adopted effective January 1, 2019:

IFRS 16 – Leases

The Company adopted IFRS 16 – Leases, which replaces previous IFRS guidance on leases under IAS 17. Under previous guidance, lessees had to determine if the lease was a finance or operating lease. Generally, finance leases were recognized on the balance sheet while operating leases were recognized in net income on the income statement. IFRS 16 brings leasing arrangements onto the balance sheet by creating a single model for lease accounting, which requires a right-of-use asset and liability to be recognized on the balance sheet. The Company adopted IFRS 16 using the modified retrospective approach, whereby the cumulative effect of initially applying the standard was recognized as an approximately $67,000 right-of-use asset (a non-current asset) and a corresponding lease liability in connection with its lease of its Vancouver office. Eagle Road Oil, LLC, the Company's joint venture in Oklahoma, recognized approximately $500,000 (USD$375,000) as a right-of-use asset and a corresponding lease liability in connection with its office lease in Tulsa, Oklahoma. On adoption of IFRS 16, the Company's lease liabilities related to contracts classified as leases are measured at the discounted present value of the remaining minimum lease payments, excluding short-term and low-value leases. The right-of-use assets recognized were measured at amounts equal to the present value of the lease obligations. The weighted average incremental borrowing rate used to determine the lease obligation at adoption was approximately 6.25%. The Company elected to not apply lease accounting to leases with a lease term of 12 months of the date of initial application.

MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. As of September 30, 2019, the Company considers capital to consist of all components of shareholders' equity. The Company manages the capital structure and adjusts it based on changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares, draw on its credit facility or dispose of assets to increase the amount of cash on hand.

To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

Jericho does not pay out dividends at this stage of the Company's development to maximize ongoing development efforts.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing instruments with maturities of 90 days or less from the original date of acquisition.

The Company expects its current capital resources to be sufficient to carry its exploration and development plans and operations through the next twelve months. Cost control measures have been implemented and best efforts will be made to raise additional capital.

FINANCIAL INSTRUMENTS AND RISK

As of September 30, 2019, and December 31, 2018, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable. The Company believes that the recorded values on the consolidated balance sheets of cash equivalents, accounts receivable and accounts payable approximate their current fair values because of their nature and relatively short maturity dates or durations and current market rates for similar instruments.

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous year as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risks exposures is described below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper. The Company's accounts receivable consists mainly of oil sales and purchase taxes remitted from the Government of Canada. The Company is exposed to a significant concentration of credit risk with respect to its trade accounts receivable balance because all its oil sales are with one counterparty. However, the Company has not recorded any allowance against its trade receivables because to-date all balances owed have been settled in full when due (typically within 60 days of submission).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its management of capital as outlined in Note 11 to the condensed consolidated financial statements. The Company had cash at September 30, 2019 in the amount of $2,294,934 (December 31, 2018 - $3,963,688) to meet business requirements, and strategic investments.

At September 30, 2019, the Company had current liabilities of $303,675 (December 31, 2018 - $271,626). Current liabilities are due within 12 months.

Contractual maturities of financial liabilities as of September 30, 2019, are as follows:

	<1 year	2-3 Years	4-5 Years	Thereafter	Total
Accounts payable and accrued liabilities	$ 279,301	—	—	—	$ 279,301
Lease obligation	24,374	—	—		24,374
	$ 303,675	—	—	—	$ 303,675

Market risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing obligations at September 30, 2019. The risk that the Company will realize a loss because of a decline in the fair value of the cash equivalents included in cash and cash equivalents because of lower interest rates is insignificant.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars at September 30, 2019:

Cash and cash equivalents	USD$	1,613,127
Receivables		10,492
Accounts payable and accrued liabilities		(99,619)
Net exposure	USD$	1,524,000
Canadian dollar equivalents	CDN$	2,018,081

The result of sensitivity analysis shows that a 10 percent change in the US$ exchange rate, with all other variables held constant, could impact the net loss by approximately CDN$202 thousand.

Price risk

The Company's profitability and ability to raise capital to fund development of oil properties is subject to risks associated with fluctuations in oil prices. Management closely monitors oil prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Exploration, Development, and Production Risks

The acquisition of leasehold interests and the selection of prospects for oil and natural gas drilling, the drilling, ownership and operation of oil and natural gas wells, and the ownership of non-operating interests in oil and natural gas properties is highly speculative. There is no certainty that prospects will produce oil or natural gas or commercial quantities of oil or natural gas. Additionally, the amount of time it will take to recover any oil or gas is unpredictable. Oil and natural gas operations involve many risks that even experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves.

Without the continual addition of new reserves, any existing reserves the Company may have at any time, and the production there from, will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on its ability to explore and develop properties it may have from time to time, but also on its ability to select and acquire suitable producing properties and prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the Company may determine that current markets, terms of acquisitions and participation or pricing conditions make such acquisitions or participations uneconomic.

There is no assurance commercial quantities of oil and natural gas will be discovered or acquired by the Company. Further, completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Delays and added expenses may also be caused by poor weather conditions affecting, among other things, the ability to lay pipelines or otherwise transport or market hydrocarbons. In addition, ground water, impenetrable substances, various clays and lack of porosity and permeability may hinder or restrict production or even make production impractical or impossible. While diligent field operations and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Operational Dependence

An unrelated party operates all the producing wells in Kansas. Because of the Company's lack of exclusive control over the operation of the assets or their associated costs, the Company's financial performance could be adversely affected. The Company's return on assets operated by others therefore depends upon several factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise, the approval of other participants, and the selection of technology and risk management practices.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the Company's costs, any of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. To conduct oil and gas operations, the Company will require licenses from various government authorities. There can be no assurance that the Company will be able to obtain all the licenses and permits that may be required to conduct operations that it may wish to undertake.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal laws, local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it is in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material adverse effect on the Company's business, financial condition, results of operations and prospects. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

CONTINGENT LIABILITIES

The Company reported that in November 2016, Eagle Road Oil, LLC (Eagle Road), a joint venture entity in which its U.S subsidiary Jericho Oil Oklahoma Corp, owns a 50% interest, was named as one of 27 defendants in a class action petition filed in the district court of Pawnee County Oklahoma. The petition alleges that the named oil and gas companies caused man-made earthquakes through the disposal of fracking wastewater. No specific damage amount is alleged in the action. Eagle Road carries industry standard insurance for operational, general and environmental liabilities. Eagle Road conducts its operations in accordance with industry standard practices and adheres to state guidelines and regulations.

Eagle Road filed a motion to dismiss the case. The motion was heard on July 7, 2017. The motion was sustained in part and denied in part. The claim for ultra-hazardous activity was dismissed and the motion was denied as to the remaining claims. The court required the plaintiffs amend the petition with the photographs removed. Plaintiff's refiled their complaint with the ultra-hazardous activity claim replead as requested by the Court.

The Court has ordered Plaintiff's to present evidence to the Court to attempt to establish an ultra-hazardous liability claim on August 23, 2018. This hearing has since been postponed as additional defendants are being added to the case. The Judge in Pawnee County District County stated that a hearing will be conducted to determine whether plaintiffs may purse an ultrahazardous activity claim against Eagle Road and other defendants.

OUTLOOK

The Company's long-term goal is to evaluate and develop oil properties, to seek partners for some of its properties as market conditions permit, and to continue to seek out new opportunities. There is no guarantee that the Company will discover or successfully develop such properties.

PROPOSED TRANSACTIONS

None.

SHARE CAPITAL UPDATE

As at the date of this report, the Company had the following share capital outstanding:

Share Capital	$ 50,440,454
Common shares issued	128,608,142
Stock options outstanding	5,019,000
Warrants outstanding	20,971,651
Total share capital outstanding	154,598,793

DIRECTORS AND OFFICERS

The Company's directors and officers as at the date of this report are:

Directors	**Officers**	**Officer Tittle**
Brian Williamson	Brian Williamson	Chief Executive Officer and President
Allen Wilson	Benjamin Holman	Chief Financial Officer
Nicholas Baxter		
Markus Seywerd		

Effective March 1, 2019, Brian Williamson, CEO assumed the additional position of President of the Company, and Allen Wilson remained as a Director.

NON-GAAP MEASURES

Adjusted joint venture income is a Non-GAAP measure not recognized under Canadian generally accepted accounting principles ("GAAP") and does not have a standardized meaning prescribed by GAAP. Management believes the measure presents the combined joint ventures and Equity Investments as viewed by investors and lenders of the financial performance of the combined joint ventures, while reflecting the operations in the currency in which revenue and prices are denominated. The Company's Non-GAAP measures may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to non-GAAP measures as reported by such organizations. The Company's Non-GAAP measures should not be construed as alternatives to net income, cash flows related to operating activities, working capital or other financial measures determined in accordance with GAAP, as an indicator of the Company's performance.

FORWARD-LOOKING STATEMENTS

This MD&A contains or incorporates, by reference, forward-looking statements. All statements other than statements of historical fact included or incorporated by reference and that address activities, events or developments that we expect or anticipate may or will occur in the future are forward-looking statements. While any forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business; actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other suggestions of future performance herein. Undue reliance should not be placed on these forward-looking statements, which are based upon our assumptions and are subject to known and unknown risks and uncertainties and other factors, some of which are beyond our control, which may cause actual results, levels of activity and achievements to differ materially from those estimated or projected and expressed in or implied by such statements. We undertake no obligation to update publicly or revise any forward-looking statements contained herein, and such statements are expressly qualified by this cautionary statement.

ADDITIONAL INFORMATION

Additional information relating the Company is available on SEDAR at **www.sedar.com**

Board Approval

The contents of this management's discussion and analysis have been approved and its filing has been authorized by the Board of Directors of the Company.

On Behalf of the Board of Directors

/s/ Brian Williamson

Brian Williamson