JERICHO OIL CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
For the interim period ended September 30, 2020
(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, 2020 is dated November 27, 2020 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended September 30, 2020, as well as the Company's audited consolidated annual financial statements for the year ended December 31, 2019. 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 2100 - 1055 W. Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3.

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, 2020, 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, 2020 and December 31, 2019, the Company held the following joint ventures and associates in Oklahoma:

	September 30, 2020	**December 31, 2019**
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

During the first nine months of 2020, world markets have experienced one of the most difficult economic events of modern times. Government responses to the global pandemic of COVID-19 resulted in unprecedented restrictions on travel and economic activity which significantly reduced demand for hydrocarbon products. This demand shock and over supply of crude oil led to drastic reductions in spot prices beginning in March 2020.

Because of the uncertainties surrounding a return of crude oil demand to historical levels and a recovery of commodity prices, the extent of the impact of these events on our business remains unclear. For 2020, these events will be material to our results of operations and cash flows. To date, our employees have adapted to the recent developments and our operations have experienced mild curtailments in production, and drilling plans have been delayed. The sustained decrease in global oil demand and resulting oversupply of oil have drastically lowered future expectations of oil prices. These trigger events led us to perform an impairment test of our petroleum properties in Kansas and Oklahoma at March 31, 2020. The impairment test resulted in an impairment expense of approximately $10.0 million CAD net to Jericho's interests. Oil price realizations began to improve in June and into the fourth quarter, and no further impairments were recorded during the second or third quarters. See further discussion below.

Jericho's joint ventures in Central Oklahoma operate with a goal of maximizing cash flow through production efficiencies and cost reduction efforts during the current difficult market conditions. The Anadarko Basin STACK play and other more conventional prospects in Jericho's portfolio provide opportunities for growth when the economic outlook improves. During June 2020, the Company closed a fully subscribed non-brokered private placement for proceeds of $5.0 million CAD. Net proceeds from the offering will be used for the acquisition of assets during the current market downturn and working capital. See Liquidity and Capital Resources for additional disclosure regarding the financing.

The following table summarizes the results of operations for Jericho for the three and nine months ended September 30, 2020, compared with the same periods of 2019.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Net crude oil revenue	$ 2,696	$ 56,942	$ 52,423	$ 177,218
Operating expenses				
Production costs	9,304	67,201	71,079	191,787
Depletion, depreciation and amortization	118	28,356	23,476	86,269
Accretion of decommissioning liabilities	1,092	1,083	3,329	3,269
General and administrative expenses	1,126,275	450,637	1,982,449	1,404,742
Foreign exchange (gain) loss	85,363	(38,989)	229,414	74,962
Total operating expenses	1,222,152	508,288	2,309,747	1,761,029
Share of loss from equity investments	(435,420)	(636,416)	(9,764,792)	(1,865,513)
Operating loss	(1,654,876)	(1,087,762)	(12,022,116)	(3,449,324)
Other income (loss)				
Interest income	—	32	—	136
Other income/(loss)	(102)	(531)	12,512	(1,905)
Impairment of petroleum properties	—	—	(400,422)	—
	(102)	(499)	(387,910)	(1,769)
Loss before income tax	$ (1,654,978)	$ (1,088,261)	$ (12,410,026)	$ (3,451,093)
Loss for the period	$ (1,654,978)	$ (1,088,261)	$ (12,410,026)	$ (3,451,093)

As reflected in the table above, the Company experienced unfavorable operating results for the three and nine-month periods ended September 30, 2020 compared to 2019. The impacts of decreased oil demand and lower product prices, and impairments recorded during the first quarter of 2020, resulted in greater losses during the 2020 compared with the same periods of 2019.

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, 2020

The following tables present 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, 2020 and 2019 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, 2020.

Nine Months Ended September 30, 2020	Eagle Road	Lurgan	Buckmanville	Walnut	Cherry Rancher	Total
100% Net income (loss) in US$	(6,093,008)	(1,878,701)	(5,453,450)	(2,060,591)	5,614	(15,480,136)
100% Net income (loss) in CDN$	(8,195,883)	(2,525,875)	(7,336,829)	(2,784,355)	7,599	(20,835,343)
Jericho's ownership	50 %	50 %	50 %	26.5 %	31 %	
Jericho's share of net income (loss) in US$	(3,046,504)	(939,351)	(2,726,725)	(545,851)	1,740	(7,256,690)
Jericho's share of net income (loss) in CDN$	**$ (4,097,942)**	**$ (1,262,938)**	**$ (3,668,415)**	**$ (737,854)**	**$ 2,357**	**$ (9,764,792)**

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 %	26.5 %	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)**

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,	
	2020	**2019**	**2020**	**2019**
Oil (BBL)	**23,787**	30,827	**70,672**	100,353
Natural gas (MCF)	**63,285**	89,253	**198,991**	313,242
NGL (BBL)	**10,200**	11,733	**28,017**	37,393
Total sales (BOE)	**44,534**	57,437	**131,854**	189,953
Average daily sales (BOE/d)	**484**	624	**481**	696
Average daily sales (BOE/d) net to JCO	**214**	263	**213**	290
Operating Results Per BOE:	**USD$**	USD$	**USD$**	USD$
Oil sales ($/BBL)	**$ 38.91**	$ 54.74	**$ 36.31**	$ 55.09
Natural gas sales ($/MCF)	**1.78**	1.64	**1.54**	2.17
NGL sales ($/BBL)	**15.88**	13.79	**14.30**	17.52
Total sales ($/BOE)	**26.95**	34.75	**24.81**	36.13
Lease operating expenses ($/BOE)	**$ 18.11**	$ 21.40	**$ 17.56**	$ 17.97

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Operating Results:				
Oil sales	**$ 925,426**	$ 1,687,467	**$ 2,565,784**	$ 5,528,386
Natural gas sales	**112,683**	146,674	**305,501**	678,804
NGL sales	**161,946**	161,800	**400,587**	655,134
Product revenues	**1,200,055**	1,995,941	**3,271,872**	6,862,324
Lease operating expenses	**806,605**	1,229,191	**2,315,603**	3,414,282
Production taxes and deductions	**173,038**	226,242	**482,596**	797,560
Impairment expense	**—**	—	**14,933,568**	—
Depreciation, depletion, and amortization	**810,977**	1,138,847	**2,582,030**	3,729,470
Accretion expense	**36,690**	54,300	**110,070**	162,219
General and administrative	**417,385**	492,205	**1,276,305**	1,773,269
Other operating expense (income)	**83,650**	3,408	**71,368**	(16,014)
Total operating costs and expenses	**2,328,345**	3,144,193	**21,771,540**	9,860,786
Operating income	**(1,128,290)**	(1,148,252)	**(18,499,668)**	(2,998,462)
Realized (gain) loss on derivatives	**—**	(13,932)	**(37,632)**	(5,292)
Unrealized fair value (gain) loss on derivatives	**—**	(22,029)	**2,154**	236,475
Interest income	**(829)**	(6,814)	**(12,843)**	(9,539)
Interest expense	**70,408**	109,569	**229,670**	332,398
Loan forgiveness	**(277,250)**	—	**(277,250)**	—
Deferred income tax recovery	**—**	—	**(2,923,631)**	—
Joint venture net income (loss) as reported	**$ (920,619)**	$ (1,215,046)	**$ (15,480,136)**	$ (3,552,504)
Joint venture net income (loss) as reported	**$ (920,619)**	$ (1,215,046)	**$ (15,480,136)**	$ (3,552,504)
Depreciation, depletion, and amortization	**810,977**	1,138,847	**2,582,030**	3,729,470
Accretion, plus	**36,690**	54,300	**110,070**	162,219
Deferred income tax recovery	**—**	—	**(2,923,631)**	—
Unrealized fair value (gain) loss on derivatives	**—**	(22,029)	**2,154**	236,475
Impairment expense	**—**	—	**14,933,568**	—
Interest expense	**70,408**	109,569	**229,670**	332,398
Loan forgiveness	**(277,250)**	—	**(277,250)**	—
Payments on lease obligations	**(33,599)**	(44,471)	**(112,193)**	(113,300)
Non-cash adjustments, plus	**98,587**	36,800	**71,410**	87,966
Total adjusted joint venture income (1)	**$ (214,806)**	$ 57,972	**$ (864,308)**	$ 882,724

(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, 2020

Results of operations for the Company's joint venture interests during the third quarter of 2020 were impacted by the effects of COVID-19, resulting in lower operating revenues from lower sales prices and volumes. Realized oil prices during third quarter 2020 were $38.91 per barrel, representing a 29 percent decrease compared with $54.74 per barrel during the same period of 2019. Production volumes were also lower compared to 2019 due to temporarily shut-in wells. Operating costs decreased compared to the same period of 2019 due to lower production volumes and cost cutting measures. As commodity prices have improved in the third quarter and into the fourth quarter of 2020, wells have returned to production and volumes have increased sequentially from the second quarter of 2020.

Results of operations for the Company's joint venture interests during the nine months of 2020 were primarily impacted by non-cash impairment charges and lower operating revenues from lower sales prices and volumes.

The Company reviews the petroleum properties of its joint ventures at each reporting date for indicators of impairment. At March 31, 2020, the Company considered the sustained impact on global oil demand caused by the COVID-19 pandemic and the significant decrease in oil prices to be indications of impairment. Accordingly, the recoverable amount of each cash generating unit (CGU) was estimated and compared to its fair value less costs to sell. As a result, a total impairment expense of USD $14.9 million was recorded in the first quarter and is reflected in the results of operations of the Company's joint ventures and associates for the nine months ended September 30, 2020.

The recoverable amounts for the CGUs were based on the 2019 year-end reserve report and revised economic assumptions as of May 2020. Compared with the year-end report, the independently prepared reference prices used to estimate the recoverable amounts decreased by 40%, 35%, and 21% for the years 2020, 2021, and 2022, and 17% thereafter.

Total sales volumes of the joint ventures on a barrel of oil equivalent basis decreased approximately 31 percent compared to 2019, coupled with a 31 percent decrease in the realized price per barrel of oil equivalent. Lower volumes resulted from reduced drilling activity in 2019.

The non-cash impairment charges and lower revenues were partially offset by a deferred income tax recovery of $2.9 million.

During the third quarter of 2020, certain of the Company's equity investees re-financed their credit facility with a loan under the Main Street Lending Program of the United States Federal Reserve. For further discussion of the loan, please refer to the Note 5 of the unaudited condensed interim consolidated financial statements for the period ended September 30, 2020.

See Liquidity and Capital Resources for additional disclosure regarding financing during 2020.

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	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019	12/31/2018
Loss for the period	(1,654,978)	(1,269,093)	(9,485,955)	(5,078,426)	(1,088,261)	(981,806)	(1,381,026)	(591,815)
Basic and diluted loss per share	(0.01)	(0.01)	(0.07)	(0.04)	(0.01)	(0.01)	(0.01)	(0.00)

During third quarter 2020, the Company recorded a loss of $1.7 million. During the quarter, the Company granted stock options under its stock option plan for 7,316,000 common shares to certain directors, officers, employees, and consultants of the Company and recorded $733 thousand in stock compensation expense. The Company's loss was partially offset by the improvement from the Company's share of loss from equity investments resulting from higher product realized prices and oil production.

During second quarter 2020, the Company recorded a loss of $1.3 million. During the quarter, the Company and its joint ventures experienced the impacts of the COVID-19 panic, including significantly lower oil price realizations and lower oil production.

During first quarter 2020, the Company recorded a loss of $9.5 million. The Company's share of loss from equity investments included a $9.9 million impairment charge net to Jericho, partially offset by a deferred income tax recovery of $2.0 million.

During fourth quarter 2019, the Company recorded a loss of $5.1 million. The Company's share of loss from equity investments included a $4.1 million impairment charge net to Jericho.

During third quarter 2019, the Company recorded a loss of $1.7 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.

SELECTED ANNUAL INFORMATION

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

	Year ended 2019	**Year ended 2018**	**Year ended 2017**
Revenue	$ 237,649	$ 408,773	$ 391,431
Net income (loss)	(8,529,519)	(4,064,469)	(6,014,776)
Net income per share	(0.07)	(0.03)	(0.07)
Cash	1,579,451	3,963,688	5,292,783
Total assets	34,102,198	44,184,054	42,916,838
Total current financial liabilities	$ 520,371	$ 271,627	$ 244,493

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, 2020, the Company had a working capital (or current assets minus current liabilities) surplus of $4.0 million, including $4.4 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 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.

On June 12, 2020, the Company closed a fully subscribed non-brokered private placement of 50,000,000 units at a price of $0.10 per unit for gross proceeds of $5,000,000. Each unit is comprised of one common share and one warrant with each warrant exercisable for one additional common share at a price of $0.13 per share for a period of 36 months from the date of issuance.

In July 2020, the Company granted stock options under its stock option plan for 7,316,000 common shares to certain directors, officers, employees, and consultants of the Company. The options are exercisable at a price of $0.15 for a period of up to five years.

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, 2020	**September 30, 2019**
Management fees	$ 293,384	$ 332,146
Directors' fees	—	30,000
Share-based payments	497,206	8,263
	$ 790,590	$ 370,409

At September 30, 2020, included in accounts payable and accrued liabilities is $6,085 payable to a company controlled by the Chief Executive Office ("CEO") of the Company (2019 - $Nil).

At September 30, 2020, the Company had $Nil in advances and $206,633 in accounts payable to equity investments (December 31, 2019 - $Nil and $295,489).

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

None.

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, 2020, 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 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 to preserve capital. See Liquidity and Capital Resources for a discussion of $5 million raised through the issuance of common shares in June 2020.

FINANCIAL INSTRUMENTS AND RISK

As of September 30, 2020, and December 31, 2019, 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 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, 2020 in the amount of $4,371,970 (December 31, 2019 - $1,579,451) to meet business requirements, and strategic investments.

At September 30, 2020, the Company had current liabilities of $404,701 (December 31, 2019 - $520,371). Current liabilities are due within 12 months.

Contractual maturities of financial liabilities as of September 30, 2020, are as follows:

	<1 year	**2-3 Years**	**4-5 Years**	**Thereafter**	**Total**
Accounts payable and accrued liabilities	$ 404,701	—	—	—	$ 404,701
Decommissioning liabilities	—	—	—	158,585	158,585
Loans	—	65,395	—	—	65,395
	$ 404,701	$ 65,395	$ —	$ 158,585	$ 628,681

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, 2020. 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, 2020:

Cash	USD$	3,038,299
Receivables		—
Accounts payable and accrued liabilities		(201,551)
Net exposure	USD$	2,836,748
Canadian dollar equivalents	CDN$	3,779,116

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$377,911.

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	$	55,379,974
Common shares issued		178,608,142
Stock options outstanding		13,610,000
Warrants outstanding		50,000,000
Total share capital outstanding		242,218,142

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