

**ARCHER PETROLEUM CORP.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF**  
**FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following information, prepared as of October 26, 2017, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Archer Petroleum Corp. (the "Company" or "Archer") for the nine months ended August 31, 2017, together with the audited consolidated financial statements of the Company for the year ended November 30, 2016 and the accompanying Management's Discussion and Analysis ("MD&A") for that fiscal year. The referenced unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

The Company's critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

**Forward-Looking Statements**

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A and in particular the "Outlook" section, contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of August 31, 2017.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks associated with conclusions of economic evaluations, as well as those factors discussed in the section entitled "Risks and Uncertainties". Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation, except as required by securities law, to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

**Nature of Business**

The Company is in the business of pursuing potential business opportunities as they arise and maintaining its public listing. On March 3, 2017, the Company's listing transferred from the TSXV to the NEX Board of the TSXV, trading under the symbol "ARK.H".

## **Company Highlights**

### **Financing**

On April 20, 2017, the Company closed a non-brokered private placement of 9,000,000 common shares at a price of \$0.08 per share for gross proceeds of \$720,000. The proceeds from the private placement were used to retire corporate indebtedness and/or generate working capital.

### **Management Changes**

On May 30, 2017, the Company announced the appointments of Guy Champagne as director, CEO and president and Carmen Amezcua Hernandez as Chief Financial Officer of the Company. Concurrently, the Company announced the resignation of Colin Bowkett as director and President and Aaron Wilson as director. Robert McMorran has resigned as Chief Financial Officer but will continue to serve as a director of the Company.

Guy Champagne is an accomplished businessman and entrepreneur and currently serves as a director of ImmunoPrecise Antibodies Ltd. Since January 2014, Mr. Champagne has been actively involved in the management and operation of a group of various privately-owned companies including: President of Aequitor Inc. and Vice President of Real Estate Webmasters Inc. Mr. Champagne served as Managing Partner and Senior Partner of BDC Consulting from 2006 until his retirement in December 2013. Mr. Champagne maintained his designation as a Certified Management Consultant (Canadian Association of Certified Management Consultants) until 2016 and expanded his education by completing the Canadian Securities Course and the Canadian Institute of Chartered Business Valuators training program for the Chartered Business Valuator designation.

Carmen Amezcua Hernandez is a Chartered Professional Accountant and has over five years experience working with public companies. Ms. Amezcua currently serves as Chief Financial Officer of Silver One Resources Inc. Previously, Ms. Amezcua has acted as the controller for a number of public companies.

### **Atlas Engineered Products Ltd.**

On September 12, 2017, the Company entered into a share exchange agreement (the "Definitive Agreement") with Atlas Engineered Products Ltd. ("Atlas") and the shareholders of Atlas whereby the Company has agreed to acquire all of the issued and outstanding shares of Atlas (the "Transaction"). Upon completion of the Transaction, the Company will become a Tier 2 industrial issuer on the TSX Venture Exchange (the "Exchange").

Atlas is a company incorporated in the Province of British Columbia and is controlled by three principal shareholders. Atlas is a leading manufacturer of trusses and engineered wood products on Central Vancouver Island.

Under the terms of the Definitive Agreement, the Company will (A) pay the principal shareholders \$1,000,000 and (B) issue such number of shares to the shareholders of Atlas such that they hold twenty five percent (25%) of the issued and outstanding shares of the Company on closing of the Transaction and Financing (as defined below). The Company anticipates that approximately 7,732,000 common shares of the Company will be issued to the shareholders of Atlas.

In conjunction with closing the Transaction, the Company plans to change its name to “Atlas Engineered Products Ltd.” and complete a proposed private placement offering of a minimum of 8,750,000 common shares up to a maximum of 10,000,000 common shares of the Company at a price of \$0.40 per share for gross proceeds of a minimum of \$3,500,000 up to a maximum of \$4,000,000 (the “Financing”).

On closing, the Company will also grant stock options to purchase 1,750,000 common shares of Archer at a price of \$0.40 per share for a period of five years from the closing date. All options will be granted to directors, officers and employees, and will be subject to certain vesting requirements.

Following closing of the Transaction and the Financing, the Company anticipates that it will have a minimum of approximately 27,524,600 common shares issued and outstanding (assuming completion of minimum financing) and up to a maximum of approximately 29,441,300 common shares issued and outstanding (assuming completion of maximum financing). The proceeds of the Financing will be used to fund the development and marketing of Atlas’ products, the cash payment of \$1,000,000 to Atlas shareholders and for general working capital purposes.

Completion of the Transaction is subject to approval of the Exchange and the completion of the Financing. As at August 31, 2017, the Company reported deferred transaction costs of \$5,996.

## **Results of Operations**

### *Three months ended August 31, 2017*

The Company recorded a loss of \$5,503 (\$0.00 per share) for the three months ended August 31, 2017 as compared to a loss of \$34,285 (\$0.01 per share) for the three months ended August 31, 2016. The decrease in loss is the result of a curtailment of general corporate activities. The differences of note for general and administrative expenses include:

Filing and transfer agent fees of \$2,610 (2016 - \$7,681). Filing and transfer agent fees decreased in 2017 as a result of fees incurred for the annual general meeting and the consolidation of the Company’s outstanding shares during 2016.

Legal fees of \$720 (2016 - \$6,548). Legal fees decreased in 2017 as a result of the Company receiving legal assistance during 2016 for the annual general meeting, general corporate matters and a potential transaction.

Management fees of \$nil (2016 - \$10,500). Management fees decreased as a result of the resignation of the former President, CEO and Director on May 30, 2017.

### *Nine months ended August 31, 2017*

The Company recorded a loss of \$16,380 (\$0.00 per share) for the nine months ended August 31, 2017 as compared to income of \$101,921 (\$0.04 per share) for the nine months ended August 31, 2016. The income recorded during 2016 is the result of the Company recording a gain on debt settlement of \$188,799. The Company recorded general and administrative expenses of \$49,740 for the nine months ended August 31, 2017 as compared to \$72,755 for the nine months ended August 31, 2016. The decrease of the general and administrative expenses is the result of changes to expenses as noted above under the three months ended August 31, 2017 and 2016.

## Quarterly Results

The following is selected financial data from the Company's unaudited quarterly financial statements for the last eight quarters ending with the most recently completed quarter, being the three months ended August 31, 2017.

	Three months ended (\$)			
	August 31, 2017	May 31, 2017	February 28, 2017	November 30, 2016
Total revenue	-	-	-	-
(Loss) income	(5,503)	9,033 <sup>2</sup>	(19,910)	(28,280)
(Loss) income per share (basic) <sup>6</sup>	(0.00)	0.00	(0.01)	(0.01)
Total assets	166,244	174,599 <sup>1</sup>	32,310 <sup>3</sup>	1,448

	Three months ended (\$)			
	August 31, 2016	May 31, 2016	February 29, 2016	November 30, 2015
Total revenue	-	-	-	-
Loss	(34,285)	165,380 <sup>4</sup>	(29,174)	(742,199)
Loss per share (basic) <sup>6</sup>	(0.01)	0.06	(0.01)	(0.27)
Total assets	2,952	3,226	7,840	10,563 <sup>5</sup>

1. Total assets increased during the quarter ended May 31, 2017 as a result of the Company closing a private placement, issuing 9,000,000 common shares for gross proceeds of \$720,000.
2. The income recorded during the quarter ended May 31, 2017 is the result of the Company recording a gain on debt settlement of \$40,302.
3. Total assets increased during the quarter ended February 28, 2017 as a result of advances totaling \$32,000 received from a director of the Company and a third party which were non-interest bearing, unsecured and due on demand.
4. The income recorded during the quarter ended May 31, 2016 is the result of the Company recording a gain on debt settlement of \$188,799.
5. Total assets decreased and the loss increased during the quarter ended November 30, 2015 due to the write-down of intangible assets of \$3,085 and exploration and evaluation assets of \$679,849.
6. The basic and diluted calculations result in the same values.

## Financing Activities and Capital Expenditures

During the nine months ended August 31, 2017, the Company received \$32,000 pursuant to promissory note agreements entered into on March 8, 2016. The promissory notes were non-interest bearing, unsecured and due on demand. Proceeds were used to finance the Company's corporate activities and to continue its operations. On April 25, 2017, the Company repaid the promissory notes totaling \$72,125.

On April 20, 2017, the Company closed a non-brokered private placement of 9,000,000 common shares a price of \$0.08 per share for gross proceeds of \$720,000.

On April 25, 2017, the Company repaid the principal of \$180,000 and interest of \$67,775 for the Convertible Loan.

## Liquidity and Capital Resources

The Company's operations consumed \$56,396 of cash (before working capital items) for the nine months ended August 31, 2017 (2016 - \$81,919). The cash requirement was funded from the cash on hand at the beginning of the period, the advances (\$32,000) and the private placement (\$720,000).

The Company's financing activities during the nine months ended August 31, 2017 included proceeds of \$32,000 from promissory notes, \$720,000 from the private placement and repayments of promissory notes totaling \$72,125 and the principal portion of the convertible loan of \$180,000.

The Company's aggregate operating, investing and financing activities during the nine months ended August 31, 2017, resulted in a net increase in its cash balance of \$150,699 to \$150,896 at August 31, 2017.

The Company had working capital at August 31, 2017 of \$90,680 compared to a working capital deficiency of \$603,992 at November 30, 2016.

The Company will require additional capital to pursue potential business opportunities.

The closing of the Transaction and the Financing discussed above will have a direct positive impact on the liquidity of the Company.

### Transactions with Related Parties

The Company incurred the following expenditures during the three and nine months ended August 31, 2017 and 2016 that were charged by officers of the Company and / or companies they owned or were significant shareholders of:

	Three months ended August 31		Nine months ended August 31	
	2017	2016	2017	2016
	(\$)	(\$)	(\$)	(\$)

#### General and administrative expenses

Accounting and legal fees <sup>(1)</sup>	2,922	2,523	11,588	10,114
Management fees <sup>(2)</sup>	-	10,500	23,700	31,500
Gain on debt settlement	-	-	(40,302)	(188,799)

<sup>(1)</sup> The charges include accounting and corporate secretary fees billed by Malaspina Consultants Inc., a company owned by a director and former officer of the Company, Rob McMorran.

<sup>(2)</sup> The charges include fees billed by Colin Bowkett, former officer and director and Aaron Wilson, former director of the Company.

Included in accounts payable and accrued liabilities as at August 31, 2017 is \$3,899 (November 30, 2016 – \$193,450) due to companies controlled by directors of the Company and to directors and officers of the Company.

Included in promissory notes as at August 31, 2017 is \$nil (November 30, 2016 - \$25,125) due to a director of the Company.

During the nine months ended August 31, 2017, the Company recorded a gain on debt settlement of \$40,302 in relation to unpaid office overhead fees owed to Robert McMorran, a director of the Company.

Key management includes the Chief Executive Officer, the Chief Financial Officer, and the directors of the Company. The compensation paid or payable to key management for services during the three and nine months ended August 31, 2017 and 2016 is identical to the table above.

## Financial Instruments

### Designation of Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. Accounts payable are designated as other financial liabilities, which are measured at amortized cost.

### Outstanding Share Data

a) Authorized:

Unlimited common shares without par value.  
Unlimited preference shares issuable in series.

b) Issued and outstanding:

11,790,091 common shares as at October 26, 2017.

c) Outstanding options and warrants as at October 26, 2017:

Type of Security	Number	Exercise Price	Expiry Date
Options	125,000	\$ 1.40	November 28, 2019
Options	82,556	\$ 4.00	February 14, 2023
Options	5,000	\$ 8.00	April 9, 2023
	212,556		

### Outlook

The Company intends to complete the Transaction with Atlas and become a Tier 2 industrial issuer on the TSX Venture Exchange. In conjunction with the Transaction, the Company intends to complete the Financing to fund the development and marketing of Atlas' products and/or general working capital purposes.

### Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109") the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the nine months ended August 31, 2017 and this accompanying MD&A (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

### Risks and Uncertainties

The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impeded.