

ZTR ACQUISITION CORP.
(formerly Oyster Oil and Gas Ltd.)
MANAGEMENT DISCUSSION & ANALYSIS
For the three and nine months ended September 30, 2019

This Management Discussion and Analysis (“MD&A”) of ZTR Acquisition Corp. (formerly Oyster Oil and Gas Ltd.) (“ZTR” or the “Company”) has been prepared by management as of November 29, 2019 and should be read together with the unaudited financial statements and related notes for the three and nine months ended September 30, 2019, which are prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Company can be found on SEDAR at www.sedar.com.

All amounts in the MD&A, financial statements and related notes are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

This document contains certain forward-looking statements. In some cases, words such as “plans”, “expects”, or “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur, be achieved or continue, have been used to identify these forward-looking statements. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict and are not to be interpreted as guarantees for future performance. These forward-looking statements could cause actual events or results to differ materially from those anticipated in such forward-looking statements. All forward-looking statements speak only as of the date hereof and, except as required by law, the Company does not undertake any obligation to update or publicly release any revisions to such forward-looking statements to reflect events, circumstances, or changes in expectations after the date hereof. Accordingly, readers should not place undue reliance on such forward-looking statements.

Overall Performance

The Company was formerly an international exploration company engaged in the acquisition, exploration and development of oil and gas interests in Africa. The Company’s shares are traded on the TSX Venture Exchange (the “Exchange”) under the symbol “ZTR”.

In January 2018, the Company issued 125,000 common shares as a result of options exercisable at \$0.17 for proceeds of \$21,250.

On June 25, 2018, Bruce McNaught resigned as both the Chief Financial Officer and Director of the Company. Martin Bajic was appointed as Chief Financial Officer on June 25, 2018.

On October 5, 2018, Donald Sharpe resigned as a Director of the Company.

On February 8, 2019, Michael Wood resigned as Chief Executive Officer and Director and was replaced by Martin Bajic.

On February 21, 2019, the Company entered into a debt settlement agreement with its convertible debenture holders to settle the outstanding convertible debentures and accrued interest with 100% of the issued and outstanding common shares of Oyster Oil & Gas Limited (“Oyster BVI”). Oyster BVI has the 100% working interest of exploration and evaluation stage oil and gas assets in both Djibouti and Madagascar. Pursuant to the agreement, ownership of the assets was transferred to the convertible debenture holders along with the common shares of Oyster BVI. The convertible debenture holders also assumed certain of the accrued liabilities at Oyster BVI. The agreement was approved by shareholders and the Exchange and closed on June 21, 2019.

Exploration and Evaluation Assets

Republic of Djibouti

Balance, December 31, 2017	\$ 7,263,895
Field and technical work	2,719
Field office, management and administration	74,838
Impairment	(6,137,857)
Balance, December 31, 2018	1,203,595
Disposition	(1,203,595)
Balance, September 30, 2019	\$ -

Republic of Madagascar

Balance, December 31, 2017	\$ 4,145,543
Field office, management and administration	126,855
Impairment	(3,571,960)
Balance, December 31, 2018	700,438
Disposition	(700,438)
Balance, September 30, 2019	\$ -

Selected Annual Information

	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
Net Loss from Continuing Operations	\$ (10,435,322)	\$ (1,351,874)	\$ (672,274)
Net Income from Discontinued Operations	\$ -	\$ -	\$ -
Net Income (Loss) for the period	\$ (10,435,322)	\$ (1,351,874)	\$ (672,274)
Basic and Diluted Net Loss Per Share – Continuing Operations	\$ (0.24)	\$ (0.03)	\$ (0.02)
Basic and Diluted Net Income Per Share – Discontinued operations	\$ 0.00	\$ 0.00	\$ 0.00
Total Assets	\$ 2,087,902	\$ 11,701,598	\$ 10,513,137
Total Long-Term Financial Liabilities	\$ -	\$ -	\$ -

Results and Discussion of Operations for the three months ended September 30, 2019

The net loss from continuing operations, before other items, for the three months ended June 30, 2019 and 2018 are summarized as follow:

	Three Months September 30, 2019	Three Months September 30, 2018
Corporate office	\$ 41,000	\$ 130,367
General and administrative	\$ 17,887	\$ 24,120
Interest and accretion	\$ 3,285	\$ 42,771
Amortization	\$ -	\$ 85
Foreign exchange	\$ (497)	\$ 11,068
Change in derivative liability	\$ -	\$ (815)

Corporate office expenses decreased by \$89,367 from \$130,367 in 2018 to \$41,000 in 2019 as this represented the first quarter since the Company sold its oil and gas assets resulting in less activity by management to oversee the day to day operations of the Company. General and administrative expenses decreased by \$6,233 from \$24,120 in 2018 to \$17,887 in 2019 as expenditures remained relatively consistent from period to period.

Interest and accretion decreased by \$39,486 as the convertible debentures were retired in exchange for the Company's oil and gas assets. The current period's interest includes only the notes payable.

Results and Discussion of Operations for the nine months ended September 30, 2019

The net loss from continuing operations, before other items, for the nine months ended September 30, 2019 and 2018 are summarized as follow:

	Nine Months September 30, 2019	Nine Months September 30, 2018
Corporate office	\$ 278,363	\$ 408,709
General and administrative	\$ 82,921	\$ 85,232
Interest and accretion	\$ 62,069	\$ 260,831
Amortization	\$ -	\$ 257
Foreign exchange	\$ 10,684	\$ 12,746
Change in derivative liability	\$ -	\$ (185,947)
Write off of equipment	\$ 10,196	\$ -
Gain on disposition of exploration and evaluation assets	\$ (279,450)	\$ -

Corporate office expenses decreased by \$130,346 from \$408,709 in 2018 to \$278,363 in 2019 as the sale of its oil and gas assets resulting in less activity by management to oversee the day to day operations of the Company. General and administrative expenses were consistent from period to period.

Interest and accretion decreased by \$198,762 as the convertible debentures' accretion period had expired in July and August of 2018 and, thus, was included in the comparative period whereas the current period included only interest on the convertible debentures and loans.

The Company incurred a one-time gain on disposal of assets on June 21, 2019.

Summary of Quarterly Results

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	\$	\$	\$	\$	\$	\$	\$	\$
Net Income (Loss)	(61,675)	104,020	(207,128)	(9,853,494)	(208,136)	(107,769)	(265,923)	(281,005)
Income (Loss) per share	0.00	0.00	(0.00)	(0.23)	(0.00)	(0.00)	(0.01)	(0.02)

Liquidity and Capital

The Company reported a working capital deficiency of \$676,797 at September 30, 2019 compared to working capital deficiency of \$2,434,840 at December 31, 2018. As at September 30, 2019, the Company had cash of \$3,949 compared to cash of \$24,667 as at December 31, 2018. The decrease in cash is a result of the Company raising \$95,125 through notes payable to offset operating activities.

Current assets excluding cash at September 30, 2019 consisted of receivables of \$8,844 (2018: \$6,779) and prepaid expenses of \$Nil (2018: \$5,787).

Current liabilities as at September 30, 2019 consisted of accounts payable and accrued liabilities of \$523,067 (December 31, 2018: \$1,168,460) which represents a \$645,393 decrease from December 31, 2018, notes payable of \$166,523 (December 31, 2018: \$71,398) and convertible debentures of \$Nil (December 31, 2018: \$1,232,215).

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Related Party Transactions

Compensation of key management for the periods ended September 30, 2019 and 2018 are as follows:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Management fees:				
Included in property investigation, corporate office and general and administrative expense	\$ -	\$ 76,644	\$ 21,417	\$ 227,890
Directors fees	-	6,000	7,750	18,000

Included in accounts payables is \$Nil (2018 - \$526,935) owing to members of the Company's key management. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in accounts payable is \$14,863 (2018: \$39,745) in directors fees to directors of record at the period end.

Proposed Transactions

None.

Critical Accounting Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgement on matters which are inherently uncertain. Details of the Company's significant accounting estimates and assumptions can be found in Note 2 of the audited financial statements for the year ended December 31, 2018.

Changes in Accounting Policies including Initial Adoption

There were no significant changes in accounting policies during the year. Details of the Company's significant accounting policies can be found in Note 2 of the audited financial statements for the year ended December 31, 2018.

Financial Instruments and Other Instruments

The carrying amounts of cash and equivalents, receivables, accounts payable and deposits received approximate fair value because of the short-term maturity of these items. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial statements.

Other Requirements

Summary of Outstanding Securities as at November 29, 2019.

Authorized: Unlimited number of common shares without nominal or par value.

Issued and outstanding: 43,771,659

Stock options: 2,000,000 at a weighted average exercise price of \$0.20 per Share.

Warrants: None.

Risk Factors

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

Financial Statements Prepared on a Going Concern Basis

ZTR's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. ZTR's operations to date have been primarily financed by equity and debt financing. ZTR's future operations are dependent upon the identification and successful completion of additional equity or debt financing or the achievement of profitable operations. There can be no assurances that ZTR will be successful in completing additional financing or achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should ZTR be unable to continue as a going concern.

Capital Requirements

To finance its future acquisition and operating costs, ZTR may require financing from external sources, including from the issuance of new shares or debt. There can be no assurance that such financing will be available to the Company or, if available, that it will be offered on terms acceptable to ZTR. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of ZTR may be diluted. Availability of capital will also directly impact the Company's ability to take advantage of acquisition opportunities.

Interest rate risk

The Company does not have any current material exposure to fluctuations in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Liquidity describes a company's ability to access cash. The Company will potentially issue debt or equity to ensure the Company has sufficient available funds to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support these financial obligations and the Company's capital programs.