

ITOK CAPITAL CORP.

(also referred to as “ITOK”, the “Corporation”, or the “Company”)

Management’s Discussion & Analysis

The following management discussion and analysis should be read in conjunction with the condensed interim financial statements for the three and nine months ended September 30, 2022 prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Additional information regarding the Company is available on SEDAR at www.sedar.com.

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

Date

This management’s discussion and analysis (“MD&A”) is dated November 18, 2022 and is in respect of the three and nine months ended September 30, 2022. The discussion in this management’s discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. This MD&A is prepared in conformity with National Instrument 51- 102F1 and has been approved by the Board of Directors.

Disclaimer for Forward-Looking Statements

This MD&A contains forward-looking statements relating to future events. In some cases, forward-looking statements can be identified by such words as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” or similar expressions. These statements represent management’s best projections, but under reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

Status of the Corporation

ITOK Capital Corp., (the “Corporation”) was incorporated under the laws of the Province of Ontario on January 21, 2005 and is classified as a Capital Pool Company as defined in Policy 2.4 (“Policy 2.4”) of the TSX Venture Exchange (the “Exchange”).

The Corporation has not commenced commercial operations and has no assets. The Corporation’s current business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction (as described in “Policy 2.4”). Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a non-arm’s length Qualifying Transaction is also subject to “majority of the minority approval” in accordance with Policy 2.4. The Corporation has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests as more particularly described below.

On May 2, 2008, the Corporation completed its initial public offering (the “offering”) of 1,000,000 Common Shares (the “Common Shares”) at a purchase price of \$0.30 per Common Share by way of a prospectus, filed in the Provinces of Alberta, British Columbia, and Ontario, for gross proceeds of \$300,000.

Research Capital Corporation (“Research”) acted as agent in connection with the Offering. For its services, Research received a cash commission equal to 10% of the gross proceeds, was paid a corporate finance fee of \$10,000 as well as options to purchase up to 100,000 Common Shares at an exercise price of \$0.30 per

Common Share, exercisable within twenty-four (24) months from the listing of the Common Shares on the Exchange.

In addition, the Corporation granted options to its Officers and Directors to purchase up to 166,667 Common Shares at an exercise price of \$0.30 per Common Share for a period of up to five (5) years from the date of the closing of the Offering. The options expired on May 2, 2012.

Upon the closing of the Offering, there were 1,666,667 Common Shares issued and outstanding, of which 666,667 Common Shares were being held in escrow.

The Common Shares were admitted for trading on the Exchange under the trading symbol "ITK.P" at the opening of the market on May 7, 2008.

On May 10, 2010, ITOK voluntarily halted trading of its shares on the Exchange pending announcement of a proposed Qualifying Transaction pursuant to the policies of the Exchange (the "Qualifying Transaction").

On May 12, 2010, trading in the Common Shares was suspended for failure to complete a Qualifying Transaction within the time prescribed by TSX Venture Exchange Policy 2.4. The Corporation was required to complete a Qualifying Transaction, delist or transfer its listing to the NEX board of the Exchange ("NEX") prior to May 9, 2010.

Pursuant to the resolution at the Annual General Meeting of Shareholders held on July 29, 2010, the Corporation's listing was transferred to NEX on August 11, 2010, the Corporation's Tier classification changed from Tier 2 to NEX, and the Filing and Service Office changed from Toronto to NEX.

As of August 11, 2010, the Corporation is subject to restrictions on share issuances and certain types of payments as set out in the NEX policies. Further to the TSX Venture bulletin dated May 11, 2010, trading in the shares of the Corporation remains suspended. Members are prohibited from trading in the securities of the Corporation during the period of the suspension or until further notice.

The trading symbol for the Corporation changed from ITK.P to ITK.H. There is no change in the Corporation's name, no change in its CUSIP number and no consolidation of capital. The symbol extension differentiates NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture market.

As a condition of the move to the NEX, 100%, or 666,667 Common Shares originally issued to the Directors of the Corporation were cancelled, as approved by the shareholders of the Corporation at the Annual General Meeting in accordance with Majority of the Minority Approval (as defined in TSX Venture Exchange Policy 2.4).

On May 13, 2022, the Company issued 5,862,338 common shares at a price of \$0.10 per common share to settle debt of \$584,700 owing to its vendors, resulting in a loss on shares for debt settlement of \$1,534.

Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation's final prospectus dated March 28, 2008, filed on SEDAR, the funds raised pursuant to the Corporation's initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan, or direct investment in a potential acquisition.

Qualifying Transaction

On June 27, 2022, the Company entered into a non-binding letter of intent ("LOI") with 2413017 Alberta Ltd. ("241"), an arm's length entity incorporated under the laws of the province of Alberta. 241's wholly owned subsidiary FCRL Belize Ltd. ("FCB") is approved by the Government of Belize to carry out an

exploration for petroleum resources work program under a production sharing agreement with the Government of Belize. The LOI outlines the terms and conditions pursuant to which the Company and 241 will complete a transaction that will result in a reverse take-over of the Company (the “Proposed Transaction”). The Company and 241 intend to enter into a definitive agreement on or before July 30, 2022 or such other date mutually agreed to by both parties. At the time of filing, this agreement has not yet been entered into.

Concurrent to the transaction, the Company intends to complete a private placement of up to \$400,000 at a price of \$0.10 per share. The company may elect to increase the private placement to \$600,000. As part of the definitive agreement, 241 also intends to complete a financing for a total of \$875,000 prior to the closing of the transaction.

Upon completion of the Proposed Transaction, the current shareholders of Company are expected to end up holding approximately 15% and the shareholders of 241 are expected to end up holding 75% of the issued shares of the resulting issuer.

It is contemplated that the Proposed Transaction would constitute the Company’s “Qualifying Transaction” (“QT”) pursuant to Policy 2.4 of the TSX Venture Exchange. The completion of the Proposed Transaction is subject to regulatory approval.

Results of Operations

For the three and nine months ended September 30, 2022, the Corporation incurred a net loss of \$59,844 and \$117,929 respectively, compared to \$7,022 and \$60,979 during the three and nine months ended September 30, 2021. During the three and nine months ended September 30, 2022, the Company incurred \$59,195 and \$108,933 in professional fees respectively compared to \$3,058 and \$39,888 during the three and nine months ended September 30, 2021. The increase in professional fees is primarily due to an increase in legal and accounting fees incurred during the three and nine months ended September 30, 2022, compared to the three and nine months ended September 30, 2021. During the three and nine months ended September 30, 2022, the Company incurred general and administrative expenses of \$649 and \$7,138 respectively, compared to \$583 and \$11,824 during the three and nine months ended September 30, 2021. The increase in general and administrative expenses for the three months ended September 30, 2022 is due to an increase in filing fees as compared to the three months ended September 30, 2021. The decrease in general and administrative expenses during the nine months ended September 30, 2022 is primarily due to the Company incurring lower transfer agent and shareholder communication fees as compared to the nine months ended September 30, 2021. During the three and nine months ended September 30, 2022, the Company incurred interest expense of \$nil and \$3,972 respectively, compared to \$3,381 and \$9,267 during the three and nine months ended September 30, 2021. The decrease in interest expense is primarily due to the settlement of the convertible debenture and interest payable during the three and nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, the Company recognized a gain on reversal of accounts payable of \$nil and \$3,648 respectively, compared to \$nil during the three and nine months ended September 30, 2021. The gain on reversal of accounts payable related to interest expenses on legal fees that were reversed. During the three and nine months ended September 30, 2022, the Company recognized a loss on shares for debt settlement of \$nil and \$1,534 respectively, compared to \$nil during the three and nine months ended September 30, 2021.

Summary of Quarterly Results

The following table provides selected quarterly financial data for the eight most recently completed quarters:

	Three months ended							
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net loss for the period	(\$59,844)	(\$47,386)	(\$10,699)	(\$17,534)	(\$7,022)	(\$19,458)	(\$34,499)	(\$20,364)
Basic and diluted loss per share	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.02)	(\$0.03)	(\$0.02)

Net loss during the quarter ended September 30, 2022 increased from the quarter ended June 30, 2020 due to legal fees of \$45,430 incurred during the quarter ended September 30, 2022 compared to \$2,691 during the quarter ended June 30, 2022, which is partially offset by a decrease in accounting fees during the quarter ended September 30, 2022 from \$31,477 during the quarter ended June 30, 2022 to \$9,109 during the quarter ended September 30, 2022.

Net loss during the quarter ended June 30, 2022 increased from the quarter ended March 31, 2022 due to accounting fees of \$31,478 incurred during the quarter ended June 30, 2022 compared to \$8,690 during the quarter ended March 31, 2022 along with corporate secretary services of \$6,102 during the quarter ended June 30, 2022 compared to \$nil during the quarter ended March 31, 2022.

Net loss during the quarter ended March 31, 2022 decreased from the quarter ended December 31, 2021 due to audit fees of \$9,500 incurred during the quarter ended December 31, 2021 compared to \$nil during the quarter ended March 31, 2022 which is partially offset by an increase in accounting fees during the quarter ended March 31, 2022.

Net loss increased during the quarter ended December 31, 2021 compared to the quarter ended September 30, 2021 due to annual audit fees incurred during the quarter ended December 31, 2021 and an increase in transfer agent fees compared to the prior quarter which is partially offset by a \$2,044 decrease in interest expense compared to the prior quarter.

Net loss decreased during the quarter ended September 30, 2021 compared to the quarter ended June 30, 2021 due to increased filing and shareholder communication related fees incurred during the prior quarter.

Net loss decreased during the quarter ended June 30, 2021 compared to the quarter ended March 31, 2021 due to a high level of professional fees incurred during the quarter ended March 31, 2021.

Net loss increased during March 31, 2021 compared to the quarter ended December 31, 2020 due to the an increase in legal fees the Company incurred during the quarter.

Net loss increased during the quarter ended December 31, 2020 compared to the quarter ended September 30, 2020 due to an audit fee accrual as well as legal fees incurred during the quarter ended December 31, 2020.

Disclosure of Outstanding Share Data

The Corporation's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

As of September 30, 2022 and November 18, 2022, the Corporation had 6,862,338 common shares issued and outstanding and no non-voting preferred shares outstanding. The Corporation also had an obligation to issue 750,000 common shares at a price of \$0.10 per share.

Liquidity and Capital Resources

On May 7, 2007, the Corporation issued 666,667 Common Shares to its three (3) Directors at \$0.15 per share for proceeds of \$100,000, of which 666,667 Shares have been cancelled as noted above.

On May 2, 2008, the Corporation completed an initial public offering pursuant to a prospectus filed in Ontario, British Columbia and Alberta. The Corporation issued 1,000,000 Common Shares at \$0.30 per share for gross proceeds of \$300,000 upon completion of the offering. The funds raised pursuant to the Corporation's initial public offering (amounting to gross proceeds of \$300,000) and any other issuances of securities will be utilized only for the identification and evaluation of assets or businesses and to obtain shareholder approval for a proposed Qualifying Transaction.

Furthermore, no more than the lesser of \$210,000 and 30% of the gross proceeds raised may be used to cover prescribed costs of listing and filing fees, other costs of the issue of securities of the Corporation and administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the TSX Venture Exchange.

On March 23, 2015, the Corporation issued \$90,000 convertible debentures, bearing simple interest rate of 12% per annum with maturity date on December 31, 2017. The holder at any time may convert all or any part of the outstanding principal and accrued interest into units at a conversion price of \$0.05 per unit. Upon issuance, a debt discount of \$10,871 was recorded to equity and is being accreted over the remaining life of the debenture. On May 13, 2022, the \$90,000 convertible debenture and \$77,104 accrued interest payable was repaid in full through the issuance of 1,671,040 common shares at a price of \$0.10 per common share. As at September 30, 2022, the carrying value of the convertible debenture was \$nil (December 31, 2021 - \$90,000) and had accrued interest payable totaling \$nil (December 31, 2021 - \$73,132).

On July 20, 2022, the Corporation received cash proceeds of \$75,000 and has an obligation to issue 750,000 common shares at \$0.10 per share as part of a private placement.

As at September 30, 2022, the Corporation had a working capital deficit of \$44,895 (December 31, 2021 - \$588,200) which comprised of \$119,943 (December 31, 2021 - \$498,296) in trade and other payables and \$nil (December 31, 2021 - \$90,000) loan payable, net of \$75,048 (December 31, 2021 - \$96) in cash. Management believes that the Company's cash will not be sufficient to meet its working capital requirements for the next twelve-month period and additional financing will be required.

Off-Balance Sheet Arrangements

The Corporation has no off-balance sheet arrangements.

Directors and Officers

As of the date of this MD&A, the Company's directors and officers are as follows:

Mohammad Shahid Fazil, CEO and Director
Gordon D. Anderson, Director
Jonathan Ross Gilbert, Director
Alex McAulay, CFO

Transactions with Related Parties

There were no compensation costs for key management personnel during the three and nine months ended September 30, 2022 and 2021.

On May 13, 2022, the Company issued 4,103,340 common shares at a price of \$0.10 per common share to Mohammad Fazil, CEO and director to settle debt of \$409,841, resulting in a loss on shares for debt settlement of \$493.

On May 13, 2022, the Company issued 400,000 common shares at a price of \$0.10 per common share to NCEG Capital Inc., a Company controlled by Mohammad Fazil, to settle debt of \$40,000.

On May 13, 2022, the Company issued 1,146,660 common shares at a price of \$0.10 per common share to Alex McAulay, CFO to settle debt of \$114,666 owing to ACM Management Inc., a Company controlled by Alex McAulay.

On May 13, 2022, the Company issued 150,000 common shares at a price of \$0.10 per common share to Gordon Anderson, director to settle \$15,000 of debt owing to Gordon Anderson.

During the three and nine months ended September 30, 2022, the Company incurred interest expense related to the convertible debenture of \$nil and \$3,972 respectively, which was settled on May 13, 2022 through the shares for debt settlement.

Related party balances:

As at September 30, 2022, included in trade and other payables was \$33,577 (December 31, 2021 – \$120,036) owing to Mohammad Fazil, CEO and director and \$nil (December 31, 2021 - \$149,013) owing to NCEG Capital Inc., a company 50% owned by Mohammad Fazil, for expense reimbursements. These amounts are non-interest bearing, unsecured and due on demand.

As at September 30, 2022, included in trade and other payables was \$30,366 (December 31, 2021 - \$82,015) owing to Treewalk (formerly ACM Management Inc.), a company owned by Alex McAulay, CFO of the Company for professional fees and expense reimbursements. These amounts are non-interest bearing, unsecured and due on demand.

As at September 30, 2022, the Company owed \$nil (December 31, 2021 - \$90,000) in the form of a convertible debenture and \$nil (December 31, 2021 - \$73,132) in accrued interest related to the convertible debenture included in trade and other payables owing to NCEG Capital Inc.

Financial Instruments

The Corporation's financial instruments consist of cash and cash equivalents and trade and other payables. It is management's opinion that the Corporation is not exposed to significant interest rate, currency or credit risks arising from the financial instruments and that the fair values of these instruments approximate their carrying values due to their short-term nature.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's cash and cash equivalents are exposed to credit risk. The Corporation reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at September 30, 2022, the Corporation is not exposed to any significant credit risk.

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. Included in the loss for the year in the financial statements is interest expense on its loan payable which was settled during the nine months ended September 30, 2022. As at September 30, 2022, the Corporation is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Corporation addresses its liquidity through equity financing obtained through the sale of common shares and the exercise of warrants and options. While the Corporation has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Capital Management

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern to identify, evaluate and complete a Qualifying Transaction and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk by monitoring its net debt position. In the management of capital, the Company considers capital to be the components of shareholders' equity.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Corporation may issue new debt or equity. The Corporation is highly dependent on capital markets as its source of operating capital.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares issued in the IPO may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a Qualifying Transaction.

Critical Accounting Estimates

Critical accounting estimates have been disclosed in Note 5 of the Company's audited Financial Statements for the years ended December 31, 2021 and 2020.