

BLUE SKY GLOBAL ENERGY CORP.
(formerly ITOK CAPITAL CORP.)
(also referred to as “Blue Sky”, the “Company”)

Management’s Discussion & Analysis

The following Management’s Discussion and Analysis (“MD&A”) has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of November 28, 2024, and should be read in conjunction with the condensed consolidated interim financial statements for the nine months ended September 30, 2024 and 2023, and related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise noted.

Forward-Looking Statements

This discussion contains “forward-looking statements” that involve risks and uncertainties. Such forward-looking statements concern the Company’s anticipated results and developments in the Company’s operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company’s exploration and development activities; the Company’s ongoing drilling program; the Company’s future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. Such information, although considered to be reasonable by the Company’s management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. This MD&A may contain forward-looking statements that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company’s actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Such statements reflect our management’s current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while

considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and known or unknown risks and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

Company Overview

Blue Sky Global Energy Corp. (formerly ITOK Capital Corp.), (the “Company” or “Blue Sky”) was incorporated under the laws of the Province of Ontario on January 21, 2005, and its shares have been listed for trading on the TSX Venture Exchange (the “Exchange”) on May 2, 2008. On May 25, 2023, the Company changed its name from ITOK Capital Corp. to Blue Sky Global Energy Corp.

On July 18, 2023, the Company completed the acquisition of all the issued and outstanding shares of a private company, 2413017 Alberta Ltd. (“241”) through a reverse takeover transaction (“RTO”), constituting its Qualifying Transaction under the applicable policies of the TSX Venture Exchange. Upon completion of the RTO, the shareholders of 241 obtained control of the consolidated entity. As a result, 241 has been identified as the accounting acquirer, and accordingly, the entity is considered to be a continuation of 241 with the net assets of the Company at the date of the RTO deemed to have been acquired by 241.

241 has two wholly-owned subsidiaries, Fire Creek (Barbados) Ltd. (“FCBL”) which was incorporated under the Companies Act of Barbados on May 6, 2022, and FCRL Belize Ltd. (“FCRL” or “FCRL Belize”) which was incorporated under the Companies Act of Belize on December 10, 2014. On January 28, 2020, FCRL entered into a production Sharing Agreement with the Government of Belize whereas FCRL has been granted the right to exploration and production of petroleum resources in and throughout the contract area.

In connection with the closing of the Qualifying Transaction, the newly amalgamated entity received approval by the TSX Venture Exchange and trading commenced on July 20, 2023, under the symbol “BGE”.

On May 28, 2024, the Company closed a purchase agreement with Blue Sky Resources Ltd. (“BSR”) incorporated in Alberta to acquire 100% of the issued and outstanding securities of BSR’s wholly-owned subsidiary, Blue Sky Paus Ltd. (“BSP”), a company incorporated in Alberta, as well as a 50% interest in certain oil and gas assets located in Canada in return for shares of the Company. Pursuant to the acquisition, the Company announced a share consolidation on the basis of one new share for every five existing common shares, effective May 24, 2024. Following the consolidation, the Company had 69,693,659 common shares issued and outstanding, of which 59,239,641 were issued to BSR in consideration for the transaction. Following the transaction, BSR became a related party by virtue of its nominees owning 85% of the Company’s outstanding shares and a Control Person.

Selected Financial Information

The following table sets out selected financial information for our Company, which has been prepared in accordance with IFRS:

	For the three months ended September 30, 2024		For the three months ended September 30, 2023	
Total revenue	\$	2,114,018	\$	-
Net income (loss)	\$	826,080	\$	(690,986)
Comprehensive income (loss)	\$	798,762	\$	(702,874)
Basic and diluted income (loss) per share	\$	0.01	\$	(0.08)

	For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
Total revenue	\$	6,719,267	\$	-
Net income (loss)	\$	2,074,179	\$	(744,374)
Comprehensive income (loss)	\$	2,029,203	\$	(745,729)
Basic and diluted loss per share	\$	0.03	\$	(0.16)

	As at September 30, 2024		As at December 31, 2023	
Total assets	\$	20,837,419	\$	1,078,888
Total non-current financial liabilities	\$	-	\$	-

The composition of net income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2024 and 2023 is detailed below in “Results of Operations”.

Total assets as at September 30, 2024 increased to \$20,837,419 from \$1,078,888 as at December 31, 2023. The increase of \$19,758,531 was primarily as a result of the closing of the acquisition transaction on May 28, 2024, in which the Company acquired exploration and evaluation assets, and oil and gas assets valued at \$877,379 and \$16,479,391, respectively. During the nine months ended September 30, 2024, the Company incurred \$128,300 and \$361,269 in expenditures on the exploration and evaluation assets and oil and gas assets, respectively, and made further deposits of \$775,175 for planned future expenditures on the oil and gas assets.

Overall Performance

The Company had a working capital surplus of \$2,671,717 at September 30, 2024, compared to \$581,956 for the year ended December 31, 2023. The increase in working capital is primarily attributable to an increase in accounts receivable and other receivables of \$963,649 as a result of the acquisition of revenue-generating oil & gas assets as part of the May 28, 2024 acquisition transaction.

The Company earned net income of \$2,074,179 for the nine months ended September 30, 2024, compared to net loss of \$744,374 for the nine months ended September 30, 2023. The increase in net income of \$2,818,553 is primarily a result of the acquisition of revenue-generating oil & gas assets as part of the May 28, 2024 acquisition transaction which resulted in \$3,073,419 in net income from the oil and gas interests being recognized during the period. This is slightly offset by professional fees increasing by \$181,617 from \$104,500 during the nine months ended September 30, 2023 to \$286,117 during the nine

months ended September 30, 2024. The Company incurred increased legal fees associated with the acquisition of the oil and gas producing and revenue generating assets located in British Columbia. Additionally, filing fees incurred in the nine months ended September 30, 2024, were \$89,174, compared to \$930 in the nine months ended September 30, 2023. The increase in filing fees is a result of the Company's public listing status on the TSX Venture Exchange, which commenced upon the closing of the Qualifying Transaction. During the nine months ended September 30, 2023, 241 was a private company for which filing fees did not apply. The Company also recognized \$439,441 in depletion expense in relation to its interest in the oil and gas assets during the nine months ended September 30, 2024.

Oil and Gas Assets

On May 28, 2024, through the purchase agreement with BSR, the Company acquired a 50% interest in certain oil and gas assets located in Canada. The assets consist of a 50% net non-operated interest in oil and gas assets located in the Province of British Columbia which are producing approximately 600 barrels of oil and gas (on a net basis to the Company), with production coming from five primary areas in British Columbia, being (1) Horn River, (2) NEBC Minor, (3) Laprise, (4) Boundary Lake, and (5) Monias (the "BC Assets").

Sproule Associates Limited was engaged to prepare a Reserve and Economic Report ("REE") in compliance with NI 51-101, effective September 30, 2023, dated October 30, 2023. This REE report has been prepared and supervised by Qualified Reserves Evaluators. The following information with respect to the property is derived from the REE and the full text of the report will be available on the Company's SEDAR+ profile at www.sedarplus.ca.

The scope of the report was limited to the acquired BC Assets and excluded the Belize assets previously reported. Management has derived the additions to Blue Sky Global by prorating the Sproule Reserves Report and adding this to the existing reserves in the company. Proven developed reserves of 2,532.3 thousand barrels of oil equivalent ("Mboe") net after royalty, based on public and company data available. The value of the additions of the Proved Developed Producing was \$42,040,000 at a discount rate of 10% per year.

Likewise, the Proved plus Probable Reserves working interest share increase by 3,372.0 Mboe net after royalties, with a value of \$56,641,000 at a discount rate of 10% per year.

The oil and gas assets are upstream oil and gas assets and earn revenues from the sale of unrefined oil, natural gas and liquid natural gas. The majority of the oil production is derived from the Boundary Field. The production in the Boundary field is from the Boundary Lake formation, which is a Carbonate unit in the Charlie Lake formation. The majority of the gas production is derived from the Laprise Field, produced from the Baldonnel/ Charlie Lake formation.

Sproule Associates Limited is operating under a permit to practice with the Association of Professional Engineers and Geoscientists of Alberta ("APEGA") and the parties involved with the preparation of the Sproule Report are Qualified Reserves Evaluators and Auditors under the Canadian Oil & Gas Evaluation Handbook ("COGEH") and NI 51-101.

Exploration and Evaluation Assets

Belize Property

On January 28, 2020, FCRL entered into a Production Sharing Agreement ("PSA") with the Government of Belize whereas FCRL has been granted the right to the exploration and production of petroleum

resources in and throughout the contract area.

FCRL was granted an initial exploration period of two years and, subject to conditions, three successive renewal periods of two years each to the initial exploration period. On March 20, 2020, a Notice of Force Majeure was provided to the Government of Belize, in attempts to contain the spread of COVID-19, which restricted movement and closed borders. On November 22, 2021, FCRL sent a letter to end the Force Majeure Notice effective January 15, 2022, and to resume exploration efforts under the initial exploration period. The initial exploration period expired in January 2024.

Upon expiration of the initial exploration period and expiration of each renewal period, FCRL is required to relinquish 25% of the original contract area, which shall be determined by FCRL subject to Government approval. FCRL has been unable to reach an agreement with the landowner to obtain surface land rights which are guaranteed by the Government of Belize. The access to surface rights and the contract area are guaranteed within the PSA and FCRL is working with the minister to gain surface access. This delay has affected FCRL's ability to fulfill its obligations under the PSA. As a result, FCRL is currently in discussions with the Government of Belize to either 1) amend the PSA to move work commitments to the first renewal period and delay the relinquishment of 25% of land to the end of the first renewal period, which would result in 50% relinquishment (January 27, 2026) or 2) request a force majeure under the PSA starting July 1, 2023 as the Company has been unable to strike an agreement with the current landowner for surface rights which are guaranteed by the Government of Belize. The final determination has not been made as of the date of approval of this MD&A.

The Government of Belize has directed both parties to reach an agreement by November 30, 2024. If an agreement cannot be reached, the Minister of Natural Resources, Petroleum and Mining will issue an order akin to eminent domain, legally enforcing terms that will allow the Company to lease the required land. This assurance from the government significantly mitigates concerns over long-term access to the land and supports the conclusion that no impairment indicators exist on the PSA.

Chapman Petroleum Engineering Ltd. was engaged to prepare a REE report in compliance with NI 51-101, effective April 1, 2022, dated October 11, 2022. This REE report has been prepared and supervised by Qualified Reserves Evaluators. The following information with respect to the property is derived from the REE report and the full text of the report will be available on the Company's SEDAR+ profile at www.sedarplus.ca.

The scope of the report was limited to an analysis of the two existing wells on the property that have been tested. The full potential of the concession was not addressed in this report. Proved developed reserves of 51 thousand stock tank barrels ("MSTB") have been assigned for the Company's gross working interest share (46 MSTB net after royalty), based on the technical data available and under the fiscal regime described in the PSA. The value of proved developed reserves were established to be \$405,000 at a discount rate of 10% per year.

Likewise, proved plus probable reserves of 239 MSTB have been assigned for the Company's gross working interest share (216 MSTB net after royalty), with a value of \$5,357,000 at a discount rate of 10% per year.

Chapman Petroleum Engineering Ltd. is operating under a permit to practice with the APEGA and the parties involved with the preparation of the Chapman Report are Qualified Reserves Evaluators and Auditors under the COGEH and NI 51-101.

Indonesia Property

On February 28, 2023, the Company entered into a Performance Sharing Agreement (“PA”) with Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi (“SKK Migas”), a task force created by the Government of the Republic of Indonesia to conduct the management of upstream oil and gas business activities. The Government of the Republic of Indonesia approved the PA on March 13, 2023 and the PA became effective as of that date. Under the PA, the Company was granted the right to the exploration and production of petroleum resources in and throughout the contract area. The Company was granted an initial exploration period of six years and subject to conditions, a renewal period of four years to the initial exploration period.

Under the terms of the PA, the Company is obligated to incur minimum work expenditures of \$14,657,600 during the first three years of the initial exploration period (the “Firm Commitment”) and work expenditures of \$30,656,000 during the following three years of the initial exploration period. If during the first three years, the Company fails to complete the Firm Commitment, it may carry forward the remaining Firm Commitment to be performed in the following three years with the consent of SKK Migas.

Cache Cold Lake Property

On August 19, 2024, the Company acquired a 50% interest of BSR’s interest in certain Alberta crown oil sands leases for a cash payment of \$307,850. The Cache Cold Lake property may be prospective for heavy oil and natural gas.

The following table represents the expenditures incurred on the property during the nine months ended September 30, 2024:

	Belize Property	Indonesia Property	Cache Cold Lake Property	Total
Balance, December 31, 2022	\$ 324,710	\$ -	\$ -	\$ 324,710
Currency translation adjustment	(7,050)	-	-	(7,050)
Balance, December 31, 2023	\$ 317,660	\$ -	\$ -	\$ 317,660
Acquisitions	-	877,379	307,850	1,185,229
Additions	-	128,300	-	128,300
Currency translation adjustment	6,050	(9,464)	-	(3,414)
Balance, September 30, 2024	\$ 323,710	\$ 996,215	\$ 307,850	\$ 1,627,775

During the nine months ended September 30, 2024, the additions to exploration and evaluation assets consist of the following:

Consulting	\$ 53,214
General and administrative	12,314
Salaries and benefits	61,970
Other	802
Total	\$ 128,300

Results of Operations

The following table summarizes the Company's financial results for the nine months ended September 30, 2024, and 2023:

Nine months ended September 30,	2024	2023	Change	Change
	\$	\$	\$	%
REVENUES				
Income from oil and gas interests	6,719,267	-	6,719,267	100
Royalties	(712,101)	-	(712,101)	100
OPERATING EXPENSES				
Consulting fees	39,038	14,320	24,718	173
Depletion	439,441	-	439,441	100
Filing fees	89,174	930	88,244	9,489
Interest and bank charges	3,543	3,701	(158)	(4)
Office and administrative	38,118	1,167	36,951	3,166
Operating expenses on oil and gas interests	2,933,747	-	2,933,747	100
Professional fees	286,117	104,500	181,617	174
Salaries and benefits	29,549	-	29,549	100
Travel and entertainment	7,825	747	7,078	948
Total operating expenses	(3,866,552)	(125,365)	(3,741,187)	2984
OTHER ITEMS				
BSP expenses	(106,455)	-	(106,455)	100
Interest income	3,401	22,138	(18,737)	(85)
Foreign exchange gain	36,619	1,647	34,972	2,123
Listing expense	-	(642,794)	642,794	(100)
Net income (loss)	2,074,179	(744,374)	2,818,553	(379)
Cumulative translation adjustment	(44,976)	(1,355)	(43,621)	3,219
Net income (loss) and other comprehensive income (loss)	2,029,203	(745,729)	2,774,932	(372)

The Company's operating expenses for the nine months ended September 30, 2024, increased by \$3,741,187 as compared with operating expenses for the nine months ended September 30, 2023. The increase is primarily attributable to the following:

- The recognition of depletion expense of \$439,441 related to the oil and gas assets which was not present in the comparative period.
- The Company recognizing its share, 50% of operating expenses of the oil and gas assets. The Company incurred operating expenses in relation to the oil and gas assets of \$2,933,747 and generated revenues of \$6,719,267.
- The increase in professional fees, in which legal and management fees are grouped. The increase is a result of legal fees incurred associated with the acquisition of oil and gas producing and

revenue generating assets located in British Columbia, and management fees associated with executive management supporting the operational and financial activities of the Company.

- The increase in filing fees as a result of the Company's public listing status on the TSX Venture Exchange, which commenced upon the closing of the Qualifying Transaction. During the nine months ended September 30, 2023, 241 was a private company for which filing fees did not apply.
- Consulting fees incurred during the nine months ended September 30, 2024, were \$39,038, as opposed to \$14,320 in the nine months ended September 30, 2023. The increase of \$24,718 is due to the necessity of consulting support in relation to potential acquisitions of further exploration properties.

During the nine months ended September 30, 2024, the Company earned interest income of \$3,401 as compared to \$22,138 in the nine months ended September 30, 2023. The interest earned was a result of cashable guaranteed investment certificates held throughout the period.

The following table summarizes the Company's financial results for the three months ended September 30, 2024, and 2023:

Three months ended September 30,	2024	2023	Change	Change
	\$	\$	\$	%
REVENUES				
Income from oil and gas interests	2,114,018	-	2,114,018	100
Royalties	(228,920)	-	(228,920)	100
OPERATING EXPENSES				
Consulting fees	18,492	4,391	14,101	321
Depletion	281,960	-	281,960	100
Filing fees	14,242	930	13,312	1,431
Interest and bank charges	2,381	1,413	968	69
Office and administrative	11,307	508	10,799	2,126
Operating expenses on oil and gas interests	654,757	-	654,747	100
Professional fees	71,197	68,781	2,416	4
Salaries and benefits	5,642	-	5,642	100
Travel and entertainment	7,044	747	6,297	843
Total operating expenses	(1,067,022)	(76,770)	(990,252)	1290
OTHER ITEMS				
Foreign exchange gain	7,487	18,920	(11,433)	(60)
Listing expense	-	(642,794)	(642,794)	(100)
Interest income	517	9,658	(9,141)	(95)
Net income (loss)	826,080	(690,986)	1,517,066	(220)
Cumulative translation adjustment	(27,318)	(11,888)	(15,430)	(130)
Net income (loss) and other comprehensive income (loss)	798,762	(702,874)	1,501,636	(214)

The Company's operating expenses for the three months ended September 30, 2024, increased by \$990,252 as compared with operating expenditures for the three months ended September 30, 2023. The increase is primarily due to the recognition of depletion expense of \$281,960, and operating expenses on the oil and gas assets of \$654,757 related to the oil and gas assets which was not present in the comparative period.

Consulting fees incurred during the three months ended September 30, 2024 were \$18,492, as opposed to \$4,391 in the three months ended September 30, 2023. The increase of \$14,101 is due to the necessity of consulting support in relation to potential acquisitions of further exploration properties.

Filing fees incurred during the three months ended September 30, 2024, were \$14,242, as opposed to \$930 in the three months ended September 30, 2023. The increase of \$13,312 is a result of the Company's public listing status on the TSX Venture Exchange, which commenced upon the closing of the Qualifying Transaction. 241 was a private company for which filing fees did not apply up until July 2023.

During the three months ended September 30, 2024, the Company earned interest income of \$517 as compared to \$9,658 in the three months ended September 30, 2023. The interest earned was a result of cashable guaranteed investment certificates held throughout the period.

During the three months ended September 30, 2024, the Company recognized \$2,114,018 in revenue on its oil and gas interests as compared to \$Nil during the three months ended September 30, 2023 as the Company acquired 50% of a revenue generating oil & gas assets subsequent to the comparative period.

Summary of Quarterly Results

The following financial data, which has been prepared in accordance with IFRS, is derived from unaudited condensed consolidated interim financial statements for the most recent eight quarters:

Three months ended,	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	\$	\$	\$	\$
Total assets	20,837,419	20,479,705	1,181,126	1,078,888
Total revenue	2,114,018	4,605,249	-	-
Net income (loss)	826,080	1,346,495	(98,396)	(227,068)
Basic and diluted net income (loss) per share	0.01	0.02	(0.00)	(0.00)

Three months ended,	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
	\$	\$	\$	\$
Total assets	1,226,017	1,450,304	1,455,139	500,327
Total revenue	-	-	-	-
Net income (loss)	(690,986)	(36,280)	(17,108)	67,873
Basic and diluted net income (loss) per share	(0.02)	(0.00)	(0.00)	0.01

Share Capital

Authorized share capital consists of the following:

- An unlimited number of common shares without par value

Disclosure of Outstanding Share Data

As of September 30, 2024, and as of the MD&A report date, the Company has 69,693,659 common shares issued and outstanding.

The Company has no stock options or warrants outstanding as of September 30, 2024, and as of the MD&A report date. Details relating to the stock option plan are further discussed in Note 15 of the condensed consolidated interim financial statements for the nine months ended September 30, 2024 and 2023.

For the nine months ended September 30, 2024:

During the nine months ended September 30, 2024, the Company underwent a 5:1 share consolidation and issued 59,239,641 common shares pursuant to the acquisition transaction.

For the year ended December 31, 2023:

On March 15, 2023, the Company issued 1,468,531 shares at a price of \$0.715 per share for gross proceeds of \$1,050,000 as part of a private placement that was required to close the Qualifying Transaction.

On July 18, 2023, the Company issued 5,727,439 common shares in conjunction with the Qualifying Transaction. As part of the Qualifying Transaction, the issued and outstanding shares of 241 were exchanged for the Company's shares at an approximate rate of 1:2.8631 basis, resulting in the issuance of 5,727,439 common shares.

On July 18, 2023, as a result of the closing of the Qualifying Transaction, 1,652,468 common shares were retained by former Blue Sky shareholders, the fair value was measured to be \$413,117.

Liquidity and Capital Resources

The increase in working capital is primarily attributable to an increase in accounts receivable and other receivables of \$963,649 as a result of the acquisition of revenue-generating oil & gas assets as part of the May 28, 2024 acquisition transaction, coupled with an increase in deposits of \$396,845 toward future oil and gas expenditures.

The Company manages its capital structure and makes adjustments to effectively support the exploration of exploration and evaluation assets. In the definition of capital, the Company includes as disclosed in its statement of financial position: share capital and deficit.

The Company is dependent on external financing to fund its activities. In order to carry out exploration and development of its exploration and evaluation assets, and to pay for general operating costs, the Company will be using its existing working capital and will raise additional amounts as needed.

A summary of cash flows for the nine months ended September 30, 2024 and 2023, is as follows:

	September 30, 2024		September 30, 2023		Change
Operating activities	\$ 1,341,045	\$	(330,185)	\$	1,671,230
Investing activities	(907,115)		967		(908,082)
Financing activities	-		1,050,000		(1,050,000)
Effect of exchange rate changes on cash	(41,325)		-		(41,325)
Change in cash	\$ 392,605	\$	720,782	\$	(328,177)

Cash provided by operating activities increased by \$1,671,230. The increase is largely a result of the Company spending earning net income of \$2,074,179 during the nine months ended September 30, 2024 in comparison to a net loss of \$744,374 for the nine months ended September 30, 2023 as a result of acquiring a 50% interest in revenue generating oil and gas assets.

Cash used in investing activities increased by \$908,082. During the nine months ended September 30, 2024, the Company spent \$489,569 on expenditures on its oil and gas and exploration and evaluation assets and made an additional deposit of \$775,175 toward future expenditures on its oil and gas assets. The increase in expenditures is offset by cash received on the acquisition of BSP of \$207,629 and deposit refunds of \$150,000.

Cash generated from financing activities decreased by \$1,050,000. The Company received and repaid \$136,772 in promissory notes during the nine months ended September 30, 2024, resulting in net provided by financing activities of \$Nil. During the nine months ended September 30, 2023, the Company raised \$1,050,000 via the issuance of shares.

Commitments

Belize Exploration & Evaluation Property

Under the terms of the PSA, FCRL is obligated to incur minimum work expenditures of US\$250,000 during the initial exploration period, US\$100,000 during the first renewal period, US\$2,100,000 during the second renewal period and US\$2,100,000 during the third renewal period. Please refer to “Exploration and Evaluation Assets” for additional information.

Indonesian Exploration & Evaluation Property

Under the terms of the PSA, the Company is obligated to incur minimum work expenditures of US\$14,657,600 during the first three years of the initial exploration period Firm Commitment and work expenditures of US\$30,656,000 during the following three years of the initial exploration period. If during the first three years, the Company fails to complete the Firm Commitment, it may carry forward the remaining Firm Commitment to be performed in the following three years with the consent of SKK Migas. Please refer to Note 11 of the condensed consolidated interim financial statements for the nine months ended September 30, 2024 and 2023, for additional information regarding the status of the PSA.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Key management compensation consisted of the following:

	Nine months ended September 30,		Three months ended September 30,	
	2024	2023	2024	2023
Revenues net of royalties and operating expenses from oil and gas interests held with BSR, a control person of the Company	\$ 3,073,419	\$ -	\$ 1,230,341	\$ -
Management fees¹				
Lion Park Capital Corp.; a company controlled by Mohammad Fazil, Chief Executive Officer and Director	90,000	27,000	30,000	27,000
Tas Mann, Former Chief Financial Officer	13,500	3,677	4,500	3,677
	\$ 103,500	30,677	\$ 34,500	30,677
Legal fees				
Tingle Merrett; a company controlled by Scott Reeves, Director	77,849	-	71,907	-
	\$ 77,849	\$ -	\$ 71,907	\$ -

¹ Management fees are reflected as part of professional fees in the presentation of the condensed consolidated interim statements of net and comprehensive income (loss).

Related party balances:

As at September 30, 2024, accounts payable and accrued liabilities include \$Nil (December 31, 2023 - \$10,000) relating to management fees due to Lion Park Capital Corp., a related company controlled by Mohammad Fazil, CEO and Director of the Company.

As at September 30, 2024, accounts payable and accrued liabilities include \$3,000 (December 31, 2023 - \$1,500) relating to management fees due to Tas Mann, former CFO.

As at September 30, 2024, accounts payable and accrued liabilities include \$6,464 (December 31, 2023 - \$71,137) relating to professional fees due to Tingle Merrett LLP., a related company controlled by Scott Reeves, Director.

On March 12, 2024, the Company received US\$100,000 in the form of a promissory note from Mohammad Fazil, CEO and Director of the Company. The promissory note bears 0% interest and is fully repayable on or before September 30, 2024. The promissory note was fully repaid in September 2024.

As at September 30, 2024, accounts receivable and other receivables included \$904,824 due from BSR related to the income earned on oil and gas interest.

Transactions with related parties are incurred in the normal course of operations and are initially recorded at fair value.

Financial Instruments and Financial Risk Management

The Company, as part of its operations, carries financial instruments consisting of cash and cash equivalents, sales tax receivables, deposits and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair Value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and cash equivalents, sales tax receivable, deposits and accounts payable and accruals approximates its fair value due to the short-term maturities of these items.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 Company's financial assets consist of cash and cash equivalents and deposits. The Company's maximum exposure to credit risk, as at the period-end, is the carrying value of its financial assets. The Company mitigates credit risk by holding financial instruments within financial institutions of high creditworthiness and reputable companies.

Interest rate risk

The Company has no debt which would expose itself to fluctuations in interest rates. As a result, interest rate risk is deemed insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by receiving funds from the issuance of share capital and income through its interest in oil and gas assets of the Company in order to meet obligations as they become due. The Company's ability to meet its short-term liquidity requirements is dependent upon its ability to raise financing.

Other risks

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's financial instruments will be affected by foreign exchange risk, price risk or

other risk.

Accounting Standards Issued But Not Yet Effective

There are no new accounting standards which will come into effect for annual periods beginning on or after January 1, 2024, that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Critical Accounting Estimates and Judgments

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The material accounting policy information and critical accounting estimates are described in Note 4 and 5 of the audited consolidated financial statements for the years ended December 31, 2023, and 2022.

The condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars. All amounts are rounded to the nearest dollar. The consolidated financial statements of the Company have been prepared on an accrual basis, except for cash flow information.

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Additional Information

Additional information about the Company is available on SEDAR+ at www.sedarplus.ca.

Additional Disclosure for Venture Issuers Without Significant Revenue

During the nine months ended September 30, 2024, the Company was in correspondence to obtain surface rights with the landowner of the contract area, per the PSA agreement discussed, see "Exploration and Evaluation Assets" above. Due to delays in reaching an agreement with the landowner, the Company was unable to meet the obligations per the PSA agreement and continues to work on negotiations. If no agreement can be reached, the Company is prepared to work with the Government of Belize, who have guaranteed surface rights to the contract area. As a result, FCRL is currently in discussions with the Government of Belize to either 1) amend the PSA to move work commitments to the first renewal period and delay the relinquishment of 25% of land to the end of the first renewal period, which would result in 50% relinquishment (January 27, 2026) or 2) request a force majeure under the PSA starting July 1, 2023 as the Company has been unable to strike an agreement with the current landowner for surface rights which are guaranteed by the Government of Belize. As a result, no exploration costs have been incurred during the period. The change in the composition of the capitalized exploration costs was a result of foreign exchange differences between the US dollar and CAN dollar, as presented in breakdown of expenditures in Note 11 of the condensed consolidated interim financial statements for the nine months ended September 30, 2024 and "Exploration and Evaluation Assets" section discussed above.

On November 24, 2023, the Company entered into a Non-binding Letter of Intent ("LOI") with a private company to acquire an interest in certain assets made up of oil lands, that may be prospective for heavy

oil and natural gas in Alberta. As part of the LOI, the Company paid a refundable deposit of \$457,097, which may form part of the purchase price of the assets, if the LOI is formalized and pursued. On January 29, 2024, the Company was refunded \$150,000 on the deposit paid for the Non-Binding LOI which the companies mutually agreed upon to reduce the deposit amount. The Company plans to expand its ownership of exploration and evaluation assets in the 2024 fiscal year. In August 2024, \$307,097 was applied against the Company's acquisition of the Cache Cold Lake Property.

On January 25, 2024, the Company entered into a LOI with a group of private companies to acquire 100% of the outstanding and issued shares. The group of private companies owns oil and gas assets located offshore in the Republic of Philippines. As part of the LOI, the Company paid a refundable deposit of US\$100,000 on January 25, 2024. Further to the LOI, an amending agreement was made on February 20, 2024, in which both parties mutually agreed on further refundable deposit payments of US\$100,000 on February 24, 2024 and US\$150,000 on March 12, 2024. The deposits may form part of the purchase price of the assets, if the LOI is formalized and pursued. In September 2024, the LOI was terminated and the amount refunded to the Company.

At September 30, 2024, the Company has three operating segments, one being the acquisition and exploration of oil and gas properties in Belize, the second being the exploration of oil and gas properties in Indonesia, and the third being the corporate headquarters in Canada.

	Canada	Belize	Indonesia	Total
Total assets	\$ 18,726,654	\$ 323,711	\$ 1,787,054	\$ 20,837,419
Total liabilities	32,970	302	103,436	136,708
Exploration and evaluation assets	307,850	323,710	996,215	1,627,775
Oil and gas assets	16,401,219	-	-	16,401,219
Revenues net of royalties and operating expenses on oil and gas interest	3,073,419	-	-	3,073,419
Depletion	439,441	-	-	439,441
Net income (loss)	\$ 2,104,064	\$ 16,552	\$ (46,437)	\$ 2,074,179

For the year ended December 31, 2023, the Company had the following two operating segments:

	Canada	Belize	Total
Total assets	\$ 761,228	\$ 317,660	\$ 1,078,888
Total liabilities	176,994	2,278	179,272
Exploration and evaluation assets	-	317,660	317,660
Listing expense	(642,794)	-	(642,794)
Net loss	\$ (939,985)	\$ (31,457)	\$ (971,442)

Approval

The Board of Directors of the Company have approved the disclosures contained in this MD&A.