MANAGEMENT'S DISCUSSION AND ANALYSIS FOR BGX - BLACK GOLD EXPLORATION CORP.

For the year ended December 31, 2024

Prepared as of April 24, 2024

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INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of BGX - Black Gold Exploration Corp. (the "Company") has been prepared by Management in accordance with the requirements of National Instrument 51-102. The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company.

This MD&A should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" and "forward-looking statements" (together, "forward looking statements") within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. 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 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 resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the resources 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. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic conditions, the supply and demand for oil and gas, the availability of financing to fund the Company's ongoing and planned exploration and possible future operations on reasonable terms, changing foreign exchange rates and actions by government authorities, market competition, risks involved in processing, exploration and research and development activities, the political climate in Argentina and United States of America, the Company's ongoing relations with its employees and with local communities and local governments, and uncertainties associated with legal proceedings and negotiations and misjudgments in the course of preparing forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described in this MD&A under "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Forward-looking statements are made based on management's experience, beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against attributing undue certainty to forward-looking statements.

OVERVIEW

BGX - Black Gold Exploration Corp. (the "Company") was incorporated on December 21, 2020 in the Province of British Columbia. On February 24, 2021, the name of the Company changed from 1280582 BC Ltd. to BGX - Black Gold Exploration Corp. The Company is engaged in oil and gas exploration in Argentina and the United States of America. The registered and records address of the Company is 6th Floor- 905 West Pender Street Vancouver, BC V6C 1L6.

On February 21, 2024, the Company listed on the Canadian Securities Exchange with a stock ticker BGX.

On March 7, 2024, the Company adopted an Equity Incentive Plan, a copy of which was previously provided to the Board (the "Equity Incentive Plan"). The Equity Incentive Plan is a 20% rolling plan that provides for the issuance of a number of different equity incentives (including Restricted Share Units, Deferred Share Units and Performance Share Units) and the Company must seek shareholder approval for any grant that is above 10% pending shareholder approval of the Equity Incentive plan.

On March 7, 2024, the Company granted 186,667 stock options to directors, officers and consultants of the Company with an exercise price of $4.00 expiring on March 7, 2029. The options vest over a period of 2 to 5 years. During the year ended December 31, 2024, the share based compensation expense was $285,874 (December 31, 2023 - $nil).

On March 7, 2024, the Company entered into a debt settlement agreement to issue 9,531 common shares at a deemed price of $4.00 per share to settle total outstanding debt of $38,124 owed to Francisco Gulisano, a director and CEO of the Company. Subsequently, on March 14, 2025, the date the shares were issued, the market price of the common shares was $4.25 per share. As a result, the Company recognized a loss on debt settlement of $2,383, representing the difference between the market value of the shares issued and the deemed settlement value.

On March 8, 2024, the Company issued 13,333 Performance Share Units to a consultant at a price of $4.00 per unit.

On April 4, 2024 the company announced it has initiated the process of a comprehensive Environmental Impact Study for El Carmen oil and gas exploration project in Argentina.

On April 22, 2024, the Company announced that it had entered in a Marketing Services Agreement (the "Marketing Agreement") with CHero Enterprises Corp ("CHero") for a two-month term. Following input from the Canadian Securities Exchange, the Company and CHero amended the terms to exclude the issuance of any performance share units for this arrangement.

On July 5, 2024, the Company was listed on the Frankfurt Stock Exchange with a stock symbol of P30.

On September 12, 2024, The Company entered into and closed an amended and restated Share Purchase Agreement ("SPA") to acquire 100% of the outstanding shares of Energy Holding Americas 1 Inc. ("EHA1") in exchange for 480,000 common shares of the Company at a fair value of $6.35 per share for a transaction value of $3,048,000 and the transaction was treated as an asset purchase transaction in accordance with IFRS 3. EHA1 holds a 30% ownership interest in a group of oil, gas and mineral leases located in Clay and Vigo County, Indiana (the "Leases"), as well as seismic data and other geological data related to the Leases. The remaining 70% is owned by LGX Energy Corp. ("LGX"), an oil and gas producer and explorer in Indiana. EHA1 also holds a perpetual option to participate in new development and production on the Leases through contribution of 30% of the cost of such work.

On January 31, 2025, the Company entered a purchase and sale agreement (the "Agreement") with LGX Energy Holdings and Adler Energy LLC to participate in the development of a well in Clay County, Indiana ("Fritz 2-30"). Under the terms of the Agreement, the Company has been granted the right to earn a 10% working interest in Fritz 2-30 well at an initial cost of USD $105,000. On March 26, 2025, a second and final payment to close the Fritz 2-30 well was made of USD $40,987.

On February 21, 2025, Francisco Gulisano, a director and CEO of the Company, exercised 8,250 of his stock options at an exercise price of $4 per unit for a total consideration of $33,000. The Company converted accruals owed in this amount as consideration for payment of the stock options.

On February 21, 2025, the Company issued 2,500 out of 10,000 restricted share units ("RSUs") to Daniel Buffone, President of the Company's subsidiary Spinell S.A.

On February 21, 2025, the Company issued 10,000 restricted share units ("RSUs") to two consultants that will vest in four months from issuance, on June 21, 2025. The fair value of the RSUs were considered to be $7.00 per unit.

On March 3, 2025, the Company completed a one (1) share to thirty (30) share split.

EL CARMEN PROJECT SUMMARY

Introduction

The Company holds a 95% interest in the El Carmen hydrocarbon project (the "El Carmen Project"). The Mina El Carmen Block is located in the onshore portion of the Golfo San Jorge basin, Argentina. The basin covers approximately 200,000 km in the central Patagonia area (44 to 47, South Latitude), over the southern portion of the province of Chubut and the northern part of the province of Santa Cruz, extending offshore into Argentina's continental shelf.

The Golfo San Jorge Basin was first drilled in 1907 and has a cumulative oil production to-date of over 3 billion barrels and is still producing about a third of the country's total output. Tertiary and Cretaceous sediments are the main producing reservoirs, with mainly fault-associated structural and stratigraphic entrapment models.

Development Rights

The four contiguous El Carmen mine rights, covering 2,000 hectares, were originally acquired from the province at a tax sale in November of 2000. These mine rights were perfected in 1929/30 on the basis of oil and gas discoveries. The mines status of the property affords BGX - Black Gold Exploration Corp unique rights in that it owns outright title to all hydrocarbons vertically beneath the boundaries of the block of mine claims. Thus, the property is not subject to the federal hydrocarbon leasing program. The royalties for Oil and Gas production should be up to 8% of the weighted of the production. Prospects geologically similar to El Carmen in Alberta normally attract five-year Crown lease bonus payments of up to C$50 per hectare, and C$1.00 per hectare annually thereafter.

Geology

This intracratonic basin was born from the extensional forces that in late Jurassic times were associated to the Gondwana breakup. Rifting started the development of an E-W elongated depression lying between two relatively stable mega elements: the Patagonian Massif in the north (Chubut province) and the Deseado Massif in the south (Santa Cruz province). These two positive elements from the north and south acted as the source area into the tectonic trough defined by a down-to-the-basin faulting, in a step-like manner. Sediment thickness at depocenter is over 7000 meters. After the Andean orogeny, the easternmost part of the basin remained with its original style, while the central portion was affected by thrust that caused basin inversion.

Historic drilling

The drilling in the Mina El Carmen Block started in 1928 with the drilling of C-1 well and finished in 1944 when the wells C-11 and C-12 were drilled. No tested or produced hydrocarbons were recorded within the block. Gas shows were indicated on the lithological logs in C-4 and C-5 wells in the Glauconitico zone, and water with gas was mentioned in the well C-1 in San Diego zone. Also, in the C-12 well, log interpretation showed the potential presence of oil in Mina El Carmen zone.

The only well tested within the Mina El Carmen Block was C-11, in which every sandy interval was perforated with no hydrocarbon flow reported. The C-12 well was cored in each sand (except in the Mina El Carmen zone), but no hydrocarbons were present in the core. As a result, the drilling was abandoned in the block, although there was a production from the Glauconitico zone in the Mina Salamanca gas field located about six kilometers to the southwest of the Mina El Carmen Block.

Prospective Resources

Company Interest Low, Best, and High Estimates of Undiscovered PIIP and Prospective Resources (Unrisked and Risked for GCoS) in Mina El Carmen Block, Argentina (as of July 15, 2023)								
Company Gross Volumes (95% WI)								
Prospect	**Fluid Type(7,8)**	**Undiscovered Petroleum Initially-In-Place (UPIIP) (9)**			**Prospective Resources (4)**			
		Unrisked			**Unrisked**			**Risked for GCoS(5,6)**
		Low(1)	**Best(2)**	**High(3)**	**Low(1)**	**Best(2)**	**High(3)**	**Best(2)**
Prospect 1	**Raw Gas (MMcf)**	454.4	1,322.4	2483.3	334.3	992.2	1,883.2	208.3
Prospect 2	**Raw Gas (MMcf)**	750.8	1,453.2	2,323.0	553.2	1090.0	1,766.3	229.0
Prospect 3	**Raw Gas (MMcf)**	100.5	496.5	1,093.6	74.6	372.7	817.0	78.3
Prospect 4	**Raw Gas (MMcf)**	590.3	1,438.6	2,539.6	439.1	1,079.0	1,909	226.6
Prospects 5	**Oil (Mbbl)**	628.8	2,757.1	5,878.0	100.2	496.6	1,063.8	104.3
Prospects 6	**Oil (Mbbl)**	566.6	2,012.9	4,050.8	90.0	362.8	746.7	76.2
Probabilistically Aggregated Company Gross Volumes (95% WI)								
Prospects	**Fluid Type(7,8)**	**Undiscovered Petroleum Initially-In-Place (UPIIP) (9)**			**Prospective Resources (4)**			
		Unrisked			**Unrisked**			**Risked for GCoS(6)**
		Low(1)	**Best(2)**	**High(3)**	**Low(1)**	**Best(2)**	**High(3)**	**Best(2)**
Prospect 1, 2, 3, 4	**Raw Gas (MMcf)**	2,981.2	4,677.8	6,677.5	2,216.1	3,513.1	5,024.5	737.8
Prospect 5, 6	**Oil (Mbbl)**	1,789.5	4,709.2	8,627.0	287.6	846.5	1,605.1	177.7

(1) Low represents the P90 volume estimate
(2) Best represents the mean volume estimate
(3) High represents the P10 volume estimate
(4) Prospective Resources are sub-classified as Prospective - Prospects (Risked = Best*21%)
(5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the geological chance of success
(6) Risked: A 21 percent geological chance of success (79 percent chance of no discovery)
(7) Oil resources are presented in thousands of barrels
(8) Gas (raw) resources are presented in millions of cubic feet before processing (i.e., shrinkage and natural gas liquid recovery)
(9) UPIIP represents that quantity of petroleum that is estimated, as of July 15, 2023, to be contained in accumulations yet to be discovered

Commerciality Prospective Resources

Company Interest Estimates of Risked for the Chance of Commerciality Prospective Resources in Mina El Carmen Block, Argentina (as of July 15, 2023)									
Prospect	**Fluid Type(8,9)**	**Undiscovered Petroleum Initially-In-Place (UPIIP)(10)**			**Prospective Resources (4)**				
		Unrisked			**Unrisked**			**Risked(5,6) for GCoS**	**Risked(7) for CoC**
		Low(1)	**Best(2)**	**High(3)**	**Low(1)**	**Best(2)**	**High(3)**	**Best(2)**	**Best(2)**
Prospect 1	**Raw Gas (MMsf)**	454.4	1,322.4	2,483.3	334.3	992.2	1,883.2	208.3	35.6
Prospect 2	**Raw Gas (MMcf)**	750.8	1,453.2	2,323.0	553.2	1,090.0	1,766.3	229.0	39.1

Prospect 3	**Raw Gas (MMcf)**	100.5	496.5	1,093.6	74.6	372.7	817.0	78.3	13.4
Prospect 4	**Raw Gas (MMcf)**	590.3	1,438.6	2,539.6	439.1	1,079.0	1,909.0	226.6	38.8
Probabilistically Aggregated Prospects 1, 2, 3, 4	**Raw Gas (MMcf)**	2,981.2	4,677.8	6,677.5	2,216.1	3,513.1	5,024.5	737.8	126.2
Prospect 5	**Oil (Mbbl)**	628.8	2,757.1	5,878.0	100.2	496.6	1,063.8	104.3	17.9
Prospects 6	**Oil (Mbbl)**	566.6	2,012.9	4,050.8	90.0	362.8	746.7	76.2	13.0
Probabilistically Aggregated Prospects 5, 6	**Oil (Mbbl)**	1,789.5	4,709.2	8,627.0	287.6	846.5	1,605.1	177.7	30.4

(1) Low represents the P90 volume estimate
(2) Best represents the mean volume estimate
(3) High represents the P10 volume estimate
(4) Prospective Resources are sub-classified as Prospective - Prospects (Risked = Best*21%)
(5) It is mathematically invalid to determine a risked success-case distribution for any probability level other than the mean itself by multiplying an unrisked success case by the geological chance of success
(6) Risked for GCoS: A 21 percent geological chance of success (79 percent chance of no discovery)
(7) Risked for CoC: A 3.6 percent chance of commerciality (combined geological chance of success and chance of development; CoC=GCoS*CoD or 21%*17.1%=3.6%)
(8) Oil resources are presented in thousands of barrels
(9) Gas (raw) resources are presented in millions of cubic feet before processing (i.e., shrinkage and natural gas liquid recovery)
(10) UPIIP represents that quantity of petroleum that is estimated, as of July 15, 2023, to be contained in accumulations yet to be discovered

These resources have not yet been discovered and there is no certainty that any portion will be discovered. Even if discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Current Development

The Company is in the process of conducting an Environmental Impact Study at the El Carmen Project. The Company will survey the area using modern geodesic systems. The Environmental Impact Study will include an environmental physical survey and a review of the project to determine if there are any existing environmental liabilities.

INDIANA PROJECT SUMMARY

Overview

The Company owns a 30% ownership interest in a group of oil, gas and mineral leases located in Clay and Vigo County, Indiana, U.S.A. (the "Leases"), as well as seismic data and other geological data related to the leases, through Energy Holdings America 1 Inc. (EHA1). The remaining 70% is owned by LGX Energy Corp. ("LGX"), an oil and gas producer and explorer in Indiana. EHA1 also holds a perpetual option to participate in new development and production on the Leases through contribution of 30% of the cost of such work. The Company holds a right to participate for 30% of the working interest, with a net revenue interest of 80% after royalties. The Leases cover lands of Clay and Vigo County, Indiana approximately 911.9 acres.

Current Development

Fritz Project

On January 31, 2025, the Company entered a purchase and sale agreement (the "Agreement") with LGX Energy Holdings and Adler Energy LLC to participate in the development of a well in Clay County, Indiana ("Fritz 2-30"). Under the terms of the Agreement, the Company has been granted the right to earn a 10% working interest in Fritz 2-30 well at an initial cost of USD $105,000. On March 26, 2025, a second and final payment to close the Fritz 2-30 well was made of USD $40,987.

This initial well's drill program is now complete. The Drill Program showed that Fritz 2-30 well can be completed and turned into a producing well within the next 30 to 60 days. The operator for LGX will perform a swab test and flow test to assess the Well's productivity and reservoir characteristics. Based on the results of these tests, the Company expects to be able to estimate production from the Well.

SUMMARY OF ANNUAL INFORMATION

The following table sets forth selected financial information of the Company which has been derived from the consolidated financial statements of the Company for the years ended December 31, 2024, 2023, and 2022.

	Year ended December 31, 2024 $	**Year ended December 31, 2023 $**	**Year ended December 31, 2022 $**
Total Revenue	-	-	-
Total Expenses	932,503	319,908	35,312
Net Loss	932,503	319,908	35,312
Loss per share – basic and diluted Pre Split	0.17	0.08	0.01
Loss per share – basic and diluted Post Split	0.01	0.00	0.00
Total Assets	5,691,517	3,110,670	1,232,233
Total Liabilities	72,218	767,536	839,306

During the year ended December 31, 2024, the net loss from continuing operations was $932,503 (2023 - $319,908). The increase in net loss is mainly attributable to an increase in advertisement and promotion expenses, professional fees, consulting fees, management fees, and share based compensation expense.

During the year ended December 31, 2023, the net loss from continuing operations was $319,908 (2022 - $35,312). The increase in net loss is mainly attributable to an increase in professional fees, advertising, and general administration expense.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters since inception:

	December 31, 2024 $	**September 30, 2024 $**	**June 30, 2024 $**	**March 31, 2024 $**
Total Assets	5,691,517	5,316,319	2,831,877	2,997,162
Working Capital	437,909	536,726	659,892	849,164
Revenue	-	-	-	-
Net Loss	(224,803)	(114,874)	(245,808)	(317,360)
Loss per Share after split	(0.00)	(0.00)	(0.00)	(0.00)
	December 31, 2023 $	**September 30, 2023 $**	**June 30, 2023 $**	**March 31, 2023 $**
Total Assets	3,110,670	3,231,381	1,186,209	1,204,096
Working Capital	234,286	377,275	326,886	364,449
Revenue	-	-	-	-
Net Loss	(134,142)	(85,551)	(37,563)	(28,478)
Loss per Share after split	(0.00)	(0.00)	(0.00)	(0.00)

Factors causing significant variations in quarterly results are as follows:

During the three months ended March 31, 2023, the Company earned revenue of $nil, and incurred operation expenses of $28,478 comprised mainly of professional fees of $20,000, travel expense of $7,947, general administration expenses of $331 and regulatory fees of $200.

During the three months ended June 30, 2023, the Company earned revenue of $nil, and incurred operating expenses of $37,563 comprised mainly of professional fees of $18,000, audit fees of $7,000, legal fees of $12,506, general administration expenses of $35 and regulatory fees of $22.

During the three months ended September 30, 2023, the Company earned revenue of $nil, and incurred operating expenses of $103,905 comprised mainly of consulting fees of $42,867, professional fees of $12,000, legal fees of $38,618, general administration expenses of $197 and regulatory fees of $10,223.

During the three months ended December 31, 2023, the Company earned revenue of $nil, and incurred operating expenses of $149,962, comprised mainly of professional fees of $35,704, consulting fees of $73,809, audit fees of $11,750, legal fees of $15,048, regulatory fees of $12,290 and general admin of $1,316.

During the three months ended March 31, 2024, the Company earned revenue of $nil, and incurred operating expenses of $324,211, comprised mainly of consulting fees of $20,000, management fees of $15,000, regulatory fees of 19,243, legal fees of $40,928, professional fees of $46,633 and share-based compensation of $179,558 with the balance made of other categories that are not as significant.

During the three months ended June 30, 2024, the Company earned revenue of $nil, and incurred operating expenses of $255,578, comprised of consulting fees of $68,739, management fees of $15,000, audit fees of $6,250, general administration expense of $3,080, legal fees of $19,869, regulatory fees of $5,746, share-based compensation of $59,893 and professional fees of $77,001.

During the three months ended September 30, 2024, the Company earned revenue of $nil, and incurred operating expenses of $126,574, comprised of consulting fees of $38,508, management fees of $15,000, audit fees of $2,000, general administration expense of $4,636, legal fees of $10,425, regulatory fees of $2,740, share-based compensation of $931 and professional fees of $52,334.

During the three months ended December 31, 2024, the Company earned revenue of $nil, and incurred operating expenses of $226,132, comprised of consulting fees of $(41,116), management fees of $24,000, audit fees of $14,000, general administration expense of $2,772, legal fees of $4,936, regulatory fees of $5,631, share-based compensation of $131,559 and professional fees of $18,342.

CASH AND WORKING CAPITAL

As at December 31, 2024, the Company had working capital of $437,909. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company requires to pay $72,218 its liability. Since the Company will not be able to generate cash from its operations in the near-term future, the Company will have to rely on the funding through equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital in future will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

LIQUIDITY

As at December 31, 2024, the Company held assets totaling $5,691,517 consisting of $24,390 in cash, $457,915 in short term investment in a guaranteed investment certificate, $23,370 in receivables and $4,452 in deposits and prepaids. As at December 31, 2024, the Company had total liabilities of $72,218 comprised of accounts payable and accrued liabilities.

Readers are cautioned that a number of factors beyond the control of the Company could result in the Company not being able to sustain its current position. Such factors could include adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others.

CAPITAL RESOURCES

Cash used in operating activities during the year ended December 31, 2024 totaled $487,661 (2023 – $238,688), which was attributed to the loss during the year ended December 31, 2024 of $902,845 (2023 – $285,734) and the changes in the non-cash working capital items comprising of a decrease in accounts receivable of $11,141 (2023 – a decrease of $10,220), and an increase in accounts payable and accrued liabilities of $59,504 (2023 – $61,175).

Net cash provided by investing activities during the year ended December 31, 2024 totaled $490,444 (2023 – a use of $972,925), which was attributable to the net proceeds of $514,986 (2023 – a decrease of $964,077), and a decrease in cashflow because of exploration and evaluation expenditures of $24,542 (2023-8,848).

The Company defines capital as the components of shareholders' equity. The Company's objectives when managing capital are to support further advancement of the Company's business objectives, as well as to ensure that the Company is able to meet its financial obligations as they come due. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2024, the Company is not subject to externally imposed capital requirements.

The Company has not issued dividends to date and has no plans to pay dividends in the foreseeable future.

TRANSACTIONS WITH RELATED PARTIES

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the year ended December 31, 2024, the Company incurred $60,000 (December 31, 2023 - $28,809) in management fees to Francisco Gulisano, a director and CEO of the Company. As at December 31, 2024, $32,454 (December 31, 2023 - $28,809) was included in accounts payable and accrued liabilities.

During the year ended December 31, 2024, the Company incurred $9,000 (December 31, 2023 - $ nil) in management fees to Maryam Amin Shajani, CFO of the Company. As at December 31, 2024, $nil (December 31, 2023 - $nil) was included in accounts payable and accrued liabilities.

On March 7, 2024, the Company entered into a debt settlement agreement to issue 9,531 common shares at a deemed price of $4.00 per share to settle total outstanding debt of $38,124 owed to Francisco Gulisano, a director and CEO of the Company. Subsequently, on March 14, 2025, the date the shares were issued, the market price of the common shares was $4.25 per share. As a result, the Company recognized a loss on debt settlement of $2,383, representing the difference between the market value of the shares issued and the deemed settlement value.

On March 7, 2024, the Company granted 100,000 stock options to the directors and officers of the Company with an exercise price of $4.00 expiring on March 7, 2029. The options vest is accordance with terms between 2 to 5 years. During the year ended December 31, 2024, the related share based compensation expense was $208,368 (December 31, 2023 - $nil).

On September 12, 2024, the Company issued 10,000 restricted share units ("RSUs") to the President of the Company's subsidiary Spinell S.A., that vest as follows: (i) 25% to vest four (4) months from issuance; (ii) 25% to vest seven (7) months from issuance; (iii) 25% to vest ten (10) months from issuance; and (iv) 25% to vest thirteen (13) months from issuance. During the year ended December 31, 2024, the related share based compensation expense was $32,735 for the RSUs.

As at December 31, 2024, there was $1,720 owing to Daniel Buffone, President of the Company's subsidiary Spinell S.A., included in accounts payable and accrued liabilities.

OUTSTANDING SHARE DATA

As of December 31, 2024 and April 24, 2025 the Company has 5,708,863 (171,265,890 after split) and 5,719,613 (171,588,390 after split) common shares outstanding respectively.

As of December 31, 2024 and April 24, 2025 the Company has 3,098,543 (92,956,290 after split) share purchase warrants.

As of December 31, 2024 and April 24, 2025 the Company has 100,000 and 91,750 (3,000,000 and 2,752,500 after split) stock options outstanding. 20,000 and 35,750 (600,000 and 1,072,500 after split) exercisable stock options respectively.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates include impairment of assets, measurement of share-based payments, and deferred income tax asset valuation allowances. Estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the IFRS accounting standards and prepared financial statements to comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Material accounting policies are disclosed in note 3 of the attached financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee nor written risk management policies. The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at December 31, 2024, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2024 $
Cash	24,390	–	–	24,390

The fair values of other financial instruments, which include accounts receivable, short-term investment, accounts payable, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits exposure to credit loss by placing its cash with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to currency risk from assets and liabilities denominated in US dollars and ARG peso. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management believes that the risk from fluctuations in foreign exchange rates is not significant.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Liquidity risk is assessed as high.

(e) Classification of financial instruments

Financial assets and liabilities included in the consolidated statement of financial position are as follows:

	December 31, 2024 $	December 31, 2023 $
Financial assets classified as fair value through profit or loss:		
Cash	24,390	21,607
Deposit and prepaid	4,452	-
Loans and receivables:		
Receivables	23,370	12,229
Investment GIC	457,915	967,986
Non-derivative financial liabilities:		
Account payables and accrued liabilities	72,218	80,662
Subscriptions received in advance	-	686,874

COMMITMENTS AND CONTINGENCIES

As at December 31, 2024, the Company had no commitments and contingent liabilities.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the year ended December 31, 2024, the Company generated no revenue (December 31, 2023 - $nil).

During the year ended December 31, 2024, the Company incurred consulting fees of $86,131 (December 31, 2023 - $ 45,000), management fees of $69,000 (December 31, 2023 - $ 28,809), professional fees of $194,310 (December 31, 2023 - $116,571), audit fees of $25,250 (December 31, 2023 - $30,750), legal fees of $75,528 (December 31, 2023 - $66,172), regulatory fees of $33,360 (December 31, 2023 - $22,735), share-based compensation of $371,941 (December 31, 2023 - $ nil) and general administration costs of $10,967 (December 31, 2023 - $1,879).

During the year ended December 31, 2024, the Company capitalized $24,542 of exploration and evaluation expenses on the El Carmen property (December 31, 2023 - $8,848).

DISCLOSURE OF INTERNAL CONTROLS

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification 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.

RISK FACTORS

The Company continues to focus on oil and gas mining activities but there is no assurance of success. The Company incurred a loss of $932,503 for the year ended December 31, 2024 and has a deficit of $1,230,652.

Management is continuing efforts to attract additional equity and capital investors and may implement cost control measures to maintain adequate levels of working capital. The Company will try to achieve its operational goals. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to achieve its goals, the Company may be required to amend its business plan to create a successful strategy.

There is no assurance that the Company will be successful in achieving potential revenue from sales of oil and gas, and the likelihood of success must be considered in light of the Company's early stage of operations.

There is no assurance that we will be able to succeed in this exploration stage of activity and large quantities of our products.

The Company may not be able to establish anticipated levels of high-volume production on a timely, cost-effective basis, or at all. It is possible that the Company does not achieve any milestone in this exploration stage and may not be able to shift to the production stage. As a result of the risks discussed within this MD&A, among others, the Company may not be able to generate or fulfill new sales orders or deliver them in a timely manner, which could have a material effect on its business and results of operations.

Our ability to generate positive cash flow is uncertain.

Our business will continue to require significant amounts of working capital to support our growth. Therefore, we may not achieve sufficient revenue growth to generate positive future cash flow and may need to raise additional capital from investors or other finance sources to achieve our future growth. An inability to generate positive cash flow for the foreseeable future or raise additional capital on reasonable terms may decrease our viability.

Our failure to raise additional capital necessary to expand our operations and invest in the exploration and manufacturing facilities could reduce our ability to compete successfully.

Our sales volume is not assured, and we depend on a limited number of customers for a significant portion of our sales.

The Company expects to continue to sell its products directly to corporate customers, but if these parties do not purchase these products or purchase them in lower quantities or over longer time periods than expected, the Company's revenue profile and cash flows may be severely affected. The Company continues to rely upon a limited number of customers for a significant portion of its sales and the loss of any customer could have a material adverse effect on its sales and operating results and make it more difficult to attract and retain other customers.