BIG SKY PETROLEUM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Big Sky Petroleum Corporation ("Big Sky" or the "Company") and has been prepared based on information known to management as of July 9, 2020. This MD&A is intended to help the reader understand the financial statements of Big Sky.

The following information should be read in conjunction with the reviewed quarterly financial statements for the three-month period ended March 31, 2020 and audited financial statements for the year ended December 31, 2019 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A provides a review of the performance of the Company for the three-month ended March 31, 2020. Additional information relating to the Company can be found on SEDAR www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

CHANGE IN PRESENTATION CURRENCY

On January 1, 2020, the Company changed its presentation currency from the U.S. dollar to the Canadian dollar. This change in presentation currency is to better reflect the Company's business activities, comprised primarily of Canadian dollar transactions as it provides more relevant presentation of the Company's financial position, financial performance and its cash flows. The Company's functional currency remains a Canadian dollar. The condensed interim financial statements for all years presented have been translated into the new presentation currency in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates.* As the change in presentation currency represents a change in accounting policy, the Company applies the change retrospectively and makes a retrospective restatement of items in its condensed interim financial statements and presents a third statement of financial position as at the beginning of the preceding period to comply with the provisions of IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

The condensed interim statements of loss and comprehensive loss and cash flows have been restated to reflect the Company's results as if they had been historically presented in CAD. The currency translation reserve was reset to $Nil as at January 1, 2020 and share capital and other reserves were translated at the historic rates prevailing at the dates of underlying transactions. As a practical measure, the comparative shareholders' deficit balances were translated at the January 1, 2019 exchange rate.

The change in presentation currency resulted in the following impact on the January 1, 2019 opening condensed interim statement of financial position:

	Reported at January 1, 2019 in USD	**Presentation currency change**	**January 1, 2019 in CAD (Restated)**
Total assets	41,654	15,173	56,827
Total liabilities	133,314	48,567	181,881
Shareholders' deficiency	(91,660)	(33,394)	(125,054)

The change in presentation currency resulted in the following impact on the December 31, 2019 condensed interim statement of financial position:

	Reported at December 31, 2019 in USD	**Presentation currency change**	**December 31, 2019 in CAD (Restated)**
Total assets	24,921	7,449	32,370
Total liabilities	179,794	53,741	233,535
Shareholders' deficiency	(154,873)	(46,292)	(201,165)

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

The following forward-looking statements have been made in this MD&A:

- Future budgets and how long the Company expects its working capital to last; and
- Management expectations of future activities and results.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.bspcorp.com.

SUMMARY AND OUTLOOK

The management is evaluating various potential opportunities for the Company.

Management's overall expectations for the Company are based on the following:

- The Company has completed a rollback, cut costs, divested itself in the oil and gas business by selling its subsidiaries and is evaluating various potential opportunities.
- The Company signed a letter of intent with Pure Extract Technologies Inc. ("Pure") pursuant to which the Company will acquire all of the outstanding shares of Pure (Note 7 to the condensed interim financial statements).

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1. Background

The Company was incorporated under the Canada Business Corporations Act on February 3, 2006 and, effective July 6, 2009, changed its continuance out of the federal jurisdiction into the British Columbia jurisdiction under the Business Corporations Act (British Columbia). The Company has been listed on the TSX Venture Exchange (the “TSX-V” or “Exchange”) since May 5, 2006. Its shares began trading under the symbol “BSP” effective December 5, 2011. On December 3, 2013, the Company consolidated its share capital on the basis of one new share for every 10 old shares. On May 26, 2016, the Company’s shares trading under the symbol “BSP.H” in the NEX Board of the Exchange. On August 13, 2018, the Company completed a five for two share consolidation. All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

2. Overview

The Company signed a letter of intent (“LOI”) on February 18, 2020 with Pure Extract Technologies Inc. (“Pure”), in relation to the proposed business combination (“proposed transaction”) between the Company and Pure. Pure's operations will include toll processing, white labelling and its own private label of products incorporating its full spectrum THC – (tetrahydrocannabinol) – and CBD – (cannabidiol) – based extracted oils. Additionally, Pure intends to obtain approval of the production and sale of its products into the European Union, having built its facility to European Union good manufacturing practice standards. It is intended that the combined company will be a multifaceted company engaged in processing, extraction and sale of various branded products incorporating its full spectrum THC and CBD based oils.

The proposed transaction is to be completed by way of an acquisition by the Company of all the outstanding shares of Pure in exchange for the Company’s common shares, in a transaction that will constitute a reverse takeover of the Company. The LOI sets out indicative transaction terms in order that, among other things, the Company and Pure (“Parties”) may proceed to negotiate and settle the terms of a definitive agreement, during its exclusive dealing period until its termination date on September 30, 2020. Both Parties will mutually agree upon the final structure for proceeding with the proposed transaction following completion of due diligence and a review of tax, accounting, corporate and securities law issues in a manner which best achieves the objectives of certainty of execution, tax efficiency and avoidance of unnecessary expense or complexity.

The proposed transaction is expected to be affected by way of a three-cornered amalgamation without court approval under the provisions of the Business Corporations Act (British Columbia) (the BCBCA). Pure will amalgamate with a newly incorporated wholly owned subsidiary of the Company and will become a wholly owned subsidiary of the Company on completion of the proposed transaction, and the shareholders of Pure will exchange their shares in Pure for common shares of the Company. Upon completion of the proposed transaction, the resulting issuer will continue on with the business of Pure.

The resulting issuer intends to voluntarily delist its common shares from the NEX Board of the Exchange and apply for listing on the Canadian Securities Exchange.

In connection with the proposed transaction, Pure will conduct an equity financing for a minimum of $5 million.

Prior to the closing of the proposed transaction, the Company will change its name to "Pure Extract Technologies Corp." and will complete a consolidation of the issued common share capital on the basis of 1 new common share for each 10 old common shares. The proposed transaction is subject to the conditions relating to shareholder and regulatory approvals as set out in the definitive agreement.

3. Risks and Uncertainties

Covid -19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods and effect on the transaction with Pure.

Foreign Currency Rate Risk

The Company's financing has been in Canadian dollars; however, a significant amount of the Company's historical activities were transacted in or referenced to US dollars. At this time, the Company is not affected by changes in exchange rates between the Canadian dollar and US dollar, since the Company does not have any USD monetary assets or liabilities and did not transact in USD.

Additional Funding Requirements

The Company has no sources of operating income at present.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain alternative financing, in which it has been successful in the past but there can be no assurance that additional debt or equity financing will be available on terms acceptable to the Company.

Reliance on Key Personnel

The Company's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not have key person insurance in effect for management. The contributions of these individuals to the Company's immediate operations are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management.

Conflicts of Interest

Certain of the Company's directors are also directors of other companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the *Business Corporations Act* (British Columbia).

4. Material Financial and Operations Information

(a) Review of Operations and Financial Results

For the three months ended March 31, 2020 compared to the three months ended March 31, 2019

During the three months ended March 31, 2020, the Company had a net loss from continuing operations of $19,385 ($0.00 loss per share) as compared to a net loss from continuing operations of $23,060 ($0.00 loss per share) for the same period in 2019.

The Company's general and administrative expenses amounted to $19,471, (2019 - $23,060), a decrease of $3,675. Decrease is consistent with decreased operations.

(b) Liquidity and Capital Resources

The Company had a working capital deficiency of $220,550 as at March 31, 2020 (2019 – $201,165). Cash totaled $24,487 as at March 31, 2020, a decrease of $5,129 from $29,616 as at December 31, 2019.

As of the date of this MD&A, the Company has no other outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

Management estimates that the current cash position and future cash flows from operations will not be sufficient for the Company to carry out its operating plans through 2020. The Company will therefore rely on debt or equity financing in 2020 to continue with its operating plans.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

(c) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

	No. of Common Shares Issued & Outstanding	Share Capital Amount
December 31, 2019	12,477,064	$9,878,277
March 31, 2020	12,477,064	$9,878,277

The Company did not issue any common shares during the three-months ended March 31, 2020 and 2019.

During the year ended December 31, 2019, the Company issued 50,000 shares by way of warrant exercise for total proceeds of $2,500.

As at December 31, 2019 the Company had 240,000 options outstanding, exercisable at Cdn$0.0875 until June 22, 2023.

As of the date of this MD&A, there were 12,477,064 common shares issued and outstanding.

(d) Commitment and Contingency

None.

(e) Off-Balance Sheet Arrangements

None.

(f) Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

a) As of March 31, 2020, the Company has payables to companies with common director amounting to $84,000 (December 31, 2019 - $84,000 and January 1, 2019 - $40,998) and a company influenced by a director was owed $71,474 (December 31, 2019 – $71,474 and January 1, 2019 – $62,201). Amounts due to related parties have no specific terms of repayment and are non-interest-bearing.

b) For the three-month period ended March 31, 2020, a company controlled by the CFO incurred $Nil (2019 - $9,000) for consulting fees. For the three-month period ended

March 31, 2020, a company controlled by the CEO incurred $Nil (2019 - $9,000) for consulting fees.

(g) Financial Instruments

The fair values of the Company's cash, accounts receivable (net of GST receivable), and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments. The Company's cash is valued based on quoted market prices.

The Company's financial instruments are exposed to certain financial risks, including foreign currency risk, credit risk, liquidity risk and interest risk.

- **Foreign currency risk**

  The Company is not exposed to significant interest rate risk.

- **Credit risk**

  The Company's cash is held in a Canadian financial institution. Credit risk is managed by using major banks that are high credit quality financial institutions as determined by ratings agencies. The Company's accounts receivable (net of GST receivable) is nominal.

- **Liquidity risk**

  Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure.

  Accounts payable and accrued liabilities and amounts due to related parties are due within twelve months of the statement of financial position date.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because they are generally held to maturity. The Company is not exposed to significant interest rate risk.

(h) Management of Capital Risk

The Company's capital is comprised of amounts in shareholders' deficiency.

The Company 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 the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. There were no changes to the Company's approach to capital management during the year ended December 31, 2019 and the Company is not subject to any externally imposed capital requirements.

5. Changes in Internal Control Over Financial Reporting ("ICFR")

Changes in Internal Control Over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, *Certification of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109") 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 financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue 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 NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.