Loon Energy Corporation
Management's Discussion and Analysis
For the year ended December 31, 2021
(US$, unless otherwise stated)

NOTICE TO READER

Please be advised that Loon Energy Corporation is re-filing the attached annual management's discussion and analysis for the year ended December 31, 2021 (the "**MD&A**") to correct a clerical error from the version of the MD&A filed on April 6, 2022. At the first paragraph on Page 1, the date of the MD&A and the date that the board of directors approved the disclosure should both have read as "April 6, 2022" rather than "April 6, 2021". All other information contained in the attached MD&A remains the same as the version of the MD&A filed on April 6, 2022. This version of the MD&A replaces and supersedes the version of the MD&A filed on April 6, 2022.

This Management's Discussion and Analysis document dated April 6, 2022 is provided by the management of Loon Energy Corporation ("**Loon**" or "**Company**") and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. The Company's Board of Directors approved the disclosure contained within this MD&A on April 6, 2022.

Basis of Presentation

This MD&A is prepared using United States dollars ("**US Dollars**") which is the reporting currency of the Company. The audited consolidated financial statements for the year ended December 31, 2021 are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

The Company has no subsidiaries and has one reportable segment.

Overview

Loon Energy Corporation and its wholly owned subsidiary 1000033135 Ontario Inc. ("**Loon**" or the "**Company**") were incorporated pursuant to the provisions of the Business Corporation Act (Alberta) on October 30, 2008 in conjunction with the reorganization by legal plan of arrangement of Loon Energy Inc. ("**Loon Energy**") and on November 23, 2021 under the laws of Ontario respectively. Loon was formerly an international oil and gas exploration and development company, whose present activities consist of the investigation and evaluation of future business opportunities. During the year, the Company had management offices in Calgary, Alberta, Canada. Loon's registered head office is location at 4100, 66 Wellington Street West, Toronto, Ontario.

On October 13, 2020 Directors and Officers entered into debt Settlement Agreements (the "Settlement Agreements") with the Company, pursuant to which a portion of the Fees Payable to Directors and Officers and Notes Payable to related parties were settled for consideration consisting of treasury shares issued by the Company, with the remaining unpaid amounts forgiven. In accordance with the agreements, Directors and Officers agreed to forgive, in aggregate, $123,030 of the Fees Payable and $29,553 of the Notes Payable. The remaining Fees Payable of $86,788 and the remaining Notes Payable of $562,789 were settled by issuance of 4,265,670 shares of the Company from Treasury with a stated value of $Cdn 0.05 ($US 0.03807) per share. The holders of shares issued pursuant to the Settlement Agreements are restricted from trading these shares until after April 9, 2021.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout the consolidated financial statements and Management's Discussion and Analysis have been adjusted retroactively to reflect the consolidation.

The Company entered into a definitive acquisition agreement on November 30, 2021 as amended on December 23, 2021 and March 1, 2022 (the "Definitive Agreement") with Optimind Pharma Inc. ("Optimind"), a private company incorporated under the Province of Ontario whereby Loon has agreed to acquire all of the issued and outstanding shares (the "Target Shares") of Optimind (the "Transaction"). Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the Transaction.

Under the terms of the Definitive Agreement, all of the Target Shares will be exchanged on the basis of one common share of the Company for each Target Share. To facilitate the execution of the transaction, on November 23, 2021 the Company incorporated 1000033135 Ontario Inc (the "Subsidiary"). As part of the Transaction, the Company has agreed to settle up to $138,133 (Cdn$ 175,000) of debt with certain creditors of the Company by way of issuance of common shares of the Company at a price of Cdn$ 0.095 per share (the "Debt Settlement"). The Debt Settlement will only be completed immediately prior to closing of the Transaction in order for the Company not to have any material liabilities on closing. Following the Debt Settlement, but prior to the Amalgamation, Loon will complete a share consolidation on the basis of one (1) new share for such number of old shares which shall result in 8,150,000 Loon common shares being issued and outstanding following the consolidation.

Optimind has agreed to complete a concurrent financing of a minimum of $394,000 (Cdn$ 500,000) and a maximum of $592,000 (Cdn$ 750,000) comprised of subscription receipts that are automatically exchangeable for convertible debentures of the resulting issuer which will have the following terms: (i) matures 18 months from commencement of trading of the Resulting Issuer Shares on the CSE; (ii) 10% interest per annum and payable on maturity; (iii) convertible at Cdn$ 0.20 per unit, with each unit comprised of one share and 0.6 warrant, with each full warrant exercisable into a share at Cdn$ 0.40 per share for two years from the issue date of the convertible debenture; and, (iv) forced conversion of the convertible debenture if the shares close higher than Cdn$ 0.40 per share for 10 consecutive trading days. Optimind has agreed to have a minimum of $1,380,00 (Cdn$1,750,000) in cash on closing of the Transaction. Completion of the Transaction is subject to a number of conditions and there can be no assurance that the Transaction will be completed as proposed or at all.

Optimind is a Canadian pharmaceutical company which has developed a clinic based business model for psychedelic assisted psychotherapy for the treatment of depression, anxiety and post-traumatic stress syndrome. Optimind has set up a joint venture with an Indigenous owned pharmaceutical company to help bring awareness to the benefits of psychedelic-assisted psychotherapy and advocate for federal approvals to treat depression and anxiety, which remains a disproportionately large issue for the indigenous community.

Loon is a Reporting Issuer in Canada, whose common shares were traded under the symbol "LNE" on the TSXV until March 3, 2017, when the Company's listing transferred to NEX, and its trading symbol changed to "LNE.H". Loon's shares were suspended from trading on October 31, 2018 and resumed trading on October 8, 2020. Loon's shares were halted from trading on November 15, 2021 and remain halted pending completion of the transaction .

Operations Overview

The Company no longer conducts any active oil and gas operations, and its present activities consist solely of investigating and evaluating potential business opportunities.

Significant factors affecting Company's results of operations

The Company has not conducted any active oil and gas operations during 2021 and 2020, though the Company continues to evaluate other business opportunities, including the potential acquisition of international oil and gas interests.

Selected annual information

Working capital deficiency

	As at December 31,		
	2021	2020	2019
Current assets	$ 17,133	$ 8,656	$ 8,707
Current liabilities	(148,887)	(68,814)	(816,368)
	$ (131,754)	$ (60,158)	$ (807,661)

Results of operations	Year ended December 31,		
	2021	2020	2019
Operations			
General and administrative	$ (62,895)	$ (59,207)	$ (30,217)
Share-based compensation	(65,780)	-	-
Financing			
Interest expense	(9,060)	(33,694)	(102,001)
Foreign exchange gain/(loss)	359	2,418	(22,778)
	(8,701)	(31,276)	(124,779)

Other			
Gain on settlement of debts	-	188,409	136,023
Net income (loss) and comprehensive income (loss)	$ (137,376)	$ 97,926	$ (18,973)
Net income (loss) and comprehensive income (loss) per share	$ (0.01)	$ 0.02	$ (0.00)

The following table summarizes the weighted average number of outstanding common shares used in calculating the net loss per share. For comparative purposes, the 2019 number of shares has been retroactively adjusted to reflect a 1-for-4 share consolidation which occurred on December 17, 2020.

	Year ended December 31,		
	2021	2020	2019
Net income (loss) attributable to shareholders	$ (137,376)	$ 97,926	$ (18,973)
Weighted average number of shares	*10,250,270*	*6,253,391*	*5,984, 600*
Net income (loss) per share - Basic and diluted	$ (0.01)	$ 0.02	$ (0.00)

General and Administrative Expenses

	Year ended December 31,	
	2021	2020
Advisory costs	$ 29,748	$ 29,879
Other administration costs	33,147	29,328
	$ 62,895	$ 59,207

General and administrative expenses for the year ended December 31, 2021 increased slightly to $62,895 compared to $59,207 for the year ended December 31, 2020. The Company experienced no significant change in activity and General and Administrative Expense represent the costs of compliance as a publicly listed entity on the TSX Venture Exchange.

Under the terms of the Definitive Agreement, Optimind is to reimburse the Company for up to Cdn$ 30,000 of legal fees incurred in relation to the Transaction plus the costs of the shareholder meeting to be held on January 4, 2022. As at December 31, 2022, Optimind had reimbursed the Company $11,724 (Cdn$15,000) of legal fees and $1,530 (Cdn$ 1,958) of shareholder meeting expenses. As at December 31, 2022, the Company has accrued an additional $13,092 of recoveries, consisting of $11,724 (Cdn$15,000) of legal fees and $1,249 (Cdn$ 1,597) of shareholder meeting expenses which the Company incurred in 2021. General and administrative expenses of $62,895 are comprised of $89,122 less total recoveries collected and accrued of $26,227.

Interest expense

Interest expense decreased to $9,060 during the year ended December 31, 2021 compared to $33,694 for the previous year. In 2020, $592,342 of Notes and Interest Payable to Related Parties was settled through the issuance of shares and debt forgiveness. Accordingly, interest expense for the year ended December 31, 2020 is comprised of six months of interest on Notes advanced prior to June 30, 2020 and settled on October 13, 2020 and interest from the date of advance to December 31, 2020 for funds advanced in the second half of 2020. Interest expense for the year ended December 31, 2021 is lower than the previous year because the principal balance of Notes Payable is lower due to the debt settlements.

Foreign exchange gain/loss

The Company recorded a foreign exchange gain of $359 for the year ended December 31, 2021 compared to a gain of $2,418 for the year ended December 31, 2020. The decrease is mainly due to lower Canadian dollar denominated monetary balances in 2021, when Canadian dollar denominated Notes Payable were settled, as compared to 2020. An exchange loss of $78 is unrealized (2020 – loss of $660).

Gains on settlement of debts

	Year ended December 31, 2021	Year ended December 31, 2020
Gain on settlement of Accounts Payable	$ -	$ 35,826
Gain on settlement of Fees Payable to Directors and Officers	-	123,030
Gain on settlement of Notes Payable	-	29,553
	$ -	$ 188,409

The Company realized gains during the year ended December 31, 2020 from terminations and settlements of various indebtedness for amounts less than their carrying value. Certain accounts payable to an un-related supplier of services were formally terminated for less than their carrying value. Debt settlement agreements with Directors and Officers related to unpaid fees and Notes Payable were also settled for less than their carrying value through the issuance of common shares.

Summary of Quarterly Data

The following tables set forth selected quarterly financial information for the most recent eight financial quarters.

	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net earnings (loss)	$ (64,316)	$ (4,107)	$ (14,981)	$ (53,972)
Per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.01)
General and administrative	$ 33,913	$ 4,188	$ 7,460	$ 17,334
Advisory costs	19,843	-	2,747	7,158
Other administrative costs	14,070	4,188	4,713	10,176
Share-based compensation	$ 27,143	$ -	$ 4,381	$ 34,256
Interest expense	$ 2,707	$ 2,364	$ 2,308	$ 1,681
Foreign exchange loss (gain)	$ 553	$ (2,445)	$ 832	$ 701
Working capital deficiency	$ (131,754)	$ (94,581)	$ (90,474)	$ (79,874)

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Net earnings (loss)	$ 95,996	$ 24,514	$ (34,448)	$ 11,864
Per share - basic and diluted	$ 0.02	$ 0.00	$ (0.00)	$ 0.00
General and administrative	$ 49,310	$ 3,025	$ 3,844	$ 3,028
Advisory costs	29,879	-	-	-
Other administrative costs	19,431	3,025	3,844	3,028
Interest expense	$ 716	$ 222	$ 16,655	$ 16,101
Foreign exchange loss (gain)	$ 6,562	$ 8,064	$ 13,949	$ (30,993)
Gain on settlements of debts	$ 152,584	$ 35,825	$ -	$ -
Working capital deficiency	$ (60,158)	$ (805,731)	$ (830,245)	$ (795,797)

During the fourth quarter of 2021, the Company incurred a loss of $64,316 due to legal fees related to the Transaction, annual audit fees and a revision to share-based compensation expense.

During the third quarter of 2021, the Company incurred a loss of $4,107 which comprised general and administrative expenses, offset by a foreign exchange gain resulting from the impact of a strengthening of the US dollar on the valuation of Canadian dollar liabilities.

During the second quarter of 2021, the Company incurred a loss of $14,981, which included general and administrative expenses related to public company compliance costs and share-based compensation expense related to incentive share purchase options issued to a new Director.

The Company incurred a loss of $53,972 in the first quarter of 2021, mainly due to the recognition of the estimated fair value of share purchase options granted to certain Directors and Officers on February 26, 2021.

The net earnings increased significantly in the fourth quarter of 2020 as compared to the other quarters in 2020 due to a gain realized on the settlement of debts with Directors and Officers of the company. The debts were comprised of unpaid fees and Notes including accrued interest. In aggregate, the Directors and Officers forgave $123,030 of unpaid fees and $29,553 of the Notes. The remaining debts of $649,577 were settled on December 8, 2021 by issuance of 4,265,670 shares from treasury. The gain reported in the fourth quarter of 2020 is partially offset by legal fees incurred. The settlements of the debts reduced the working capital deficiency by $745,573. An additional gain on settlements of debts was recorded in the third quarter of 2020 related to the settlement of amounts owing to an arms-length provider of services.

Pursuant to the debt settlement agreements, interest on Notes outstanding on June 30, 2020 was not accrued after June 30, 2020, causing a decrease of the interest expense in the third and fourth quarters of 2020.

During the fourth quarter of 2020, the Company realized a gain of $136,023 on the termination of Notes Payable upon the termination of the PacWest notes.

Share Data

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

The Company's common shares are listed for trading on the NEX board of the TSX Venture Exchange.

Effective December 17, 2020, the Company's shares were consolidated such that one new common share was issued for every four common shares outstanding. For ease of comparison, the number of shares presented throughout the consolidated financial statements and Management's Discussion and Analysis have been adjusted retroactively to reflect the consolidation.

On October 13, 2020, Directors and Officers entered into Settlement Agreements with the Company, whereby the Fees payable to Directors and Officers and Notes payable to related parties were settled for consideration consisting of treasury shares issued by the Company for a portion of the outstanding debts; the remaining unpaid amounts were forgiven by the respective parties.

Pursuant to the Settlement Agreement, on December 8, 2020, the Company issued 4,265,670 common shares at a stated value of $Cdn 0.05 ($US 0.03807) to settle $86,788 of outstanding Fees Payable to Directors and Officers and $562,789 of outstanding Notes and Interest Payable. The Company determined that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement would fall within a range of $Cdn 0.005 per share to $Cdn 0.05 per share. Management has used a fair market value for the treasury shares issued of $Cdn 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement. The holders of shares issued pursuant to the Settlement Agreements are restricted from trading the shares until after to April 9, 2021.

	Number of Shares	Share Capital
Balances, December 31, 2019	5,984,600	$16,620,159
Shares issued on settlement	4,265,670	649,577
Balances, December 31, 2020	10,250,270	$17,269,736
Balances, December 31, 2021	10,250,270	$17,269,736

Stock Options

	As at December 31,		
	2021	2020	2019
	# of options	# of options	# of options
Options granted	900,000	-	-
Options expired	(300,000)	-	-
Balance outstanding end of year	600,000	-	-

On February 26, 2021, the Company granted 750,000 incentive share purchase options (the "Options") to certain Directors and Officers. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

On June 4, 2021 two Officers holding 300,000 of the 750,000 Options granted on February 26, 2021 resigned from the Company. Under the terms of the Option agreements, the Options expired 90 days following the date of resignation, on September 2, 2021.

On June 16, 2021 the Company granted 150,000 Options to a Director of the Company. The Options have an exercise price of Cdn$ 0.13 per share, vest immediately, and expire on February 26, 2024.

During the year ended December 31, 2021, the Company recorded share-based compensation of $65,780 (2020 - $nil) to recognize the estimated fair value of these options. The fair value of stock options granted was estimated using the Black-sholes Option Pricing Model with the following assumptions:

Risk-free rate:	0.5%
Expected life:	3 years
Expected volatility:	100%
Share price at grant:	Cdn$ 0.12 – Cdn$ 0.15 per share

Related Party Transactions

During the year ended December 31, 2021, additional funding was advanced to the Company by Mr. Michael Stein, a former member of the Board of Directors in the form of secured notes payable which totaled $60,313. During the year ended December 31, 2020, additional funding was advanced to the Company by Mr. Stein and Mr. Timothy Elliott, Chief Executive Officer and Chairman of the Board of Directors, which totaled $73,008.

As at December 31, 2021, the balance of the secured Note Payable to Mr. Stein is $125,696 (2020 - $31,998) and to Mr. Elliott is $nil (2020 - $24,507). On February 26, 2021, Mr. Stein and Mr. Elliott entered in an Assignment Agreement, under the terms of which the secured Promissory Note payable to Mr. Elliott on December 31, 2020 (Note 9) was assigned to Mr. Stein. The secured Promissory Note now payable to Mr. Stein continues to be outstanding at the same principal amount and interest continues to accrue in accordance with the terms of the Note.

The Notes Payable are secured, due on demand and bear interest calculated at a rate of 12% per annum and compounded annually on December 31. Upon demand notice having been received, the interest rate increases to 24% per annum on any balance that remains unpaid. On December 31, 2021 accrued interest of $9,060 (2020 - $965) was added to the Principal and will accrue interest from that date forward.

On October 13, 2020, two former Directors and Mr. Elliott entered into Settlement Agreements with the Company (Note 9) to settle all Notes payable and accrued interest which were unpaid as at June 30, 2020, including an advance made prior to June 30, 2020 by Mr. Elliott in the amount of $18,513. The value of the Notes and accrued interest included in the Settlement Agreements on the settlement date was $592,342. Pursuant to the Settlement Agreements, interest on Notes advanced prior to June 30, 2020, ceased to accrue after June 30, 2020.

On October 13, 2020, Directors and Officers entered into debt Settlement Agreements with the Company, whereby Fees Payable to Directors and Officers and certain Notes Payable and accrued interest were settled.

Liquidity and Capital Resources

The Company was formerly an oil and gas exploration and development company with activities in Colombia, Peru and Guatemala. The Company's last remaining property interest was in Colombia, and this property interest, which had no proved reserves and did not generate positive net production revenue was relinquished during 2017 as part of a settlement of the Company's obligations arising from its interest in this property.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. Beginning in 2014 and continuing through 2021, certain members of the Company's Board of Directors advanced cash to fund Loon's activities.

As at December 31, 2021, the Company had a working capital deficiency of $131,754 of which $125,696 is the aggregate of Notes Payable to a Directors and Officers of the Company. The need to raise capital to fund the working capital deficiency, ongoing operations, and the acquisition of future business opportunities that may arise, indicates the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity or debt will be available when needed. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

Financial Risk Management

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's net income or the value of its financial instruments.

Interest rate risk

The Company maintains its cash and cash equivalents in instruments that are redeemable at any time without penalty thereby reducing its exposure to interest rate fluctuations thereon. Interest rate risk is not considered material.

Foreign currency exchange risk

The Company is exposed to risks arising from fluctuations in currency exchange rates between the Canadian dollar ("CAD") and the United States dollar. At December 31, 2021 and 2020 the Company's primary foreign currency exposure relates to Canadian dollar cash balances and accounts receivable net of accounts payable and accrued liabilities in Canada as follows:

	As at December 31, 2021	As at December 31, 2020
Cash	$ 658	$ 6,786
Prepaid expenses and other receivables	19,836	4,278
Accounts payable	(29,403)	(15,628)
Notes payable to related parties	(159,351)	(71,943)
Net foreign exchange exposure	$ (167,010)	$ (76,507)
$US equivalent at year end exchange rate	$ (131,754)	$ (60,089)

Based on the net foreign exposure at the end of the year, if these currencies had strengthened or weakened by 10% compared to the U.S. dollar and all other variables were held constant, the after-tax net earnings would have decreased or increased by approximately $13,175 (2020 - $6,009).

Credit Risk

Management monitors credit risk by reviewing the credit quality of the financial institutions that hold the cash and cash equivalents.

The Company's accounts receivable as at December 31, 2021 included $2,555 (2020 - $1,897) of goods and services taxes recoverable from the Government of Canada and $13,092 of reimbursable expenses from Optimind. The Company does not consider the credit risk relating to the outstanding amounts to be significant.

Liquidity Risk and Capital Management

The Company's management is currently evaluating new business opportunities, however, without internally generated cash flow and a consequent reliance on shareholder advances to fund activities, there are inherent liquidity risks including the possibility that additional financing may not be available to the Company on either a timely or commercial basis, or that future business opportunities may not be available at a cost the Company can afford. The need to raise capital to fund the working capital deficiency, ongoing operations, and evaluate and acquire new business opportunities creates significant doubt as to the Company's ability to continue as a going concern. There are no guarantees that additional capital, either through additional equity, debt or farm-out arrangements will be available when needed.

As at December 31, 2021, the Company's working capital deficiency was $131,754. (December 31, 2020: $60,158). Consistent with prior years, the Company manages its capital structure to maximize financial flexibility, making adjustments in light of changes in economic conditions and risk characteristics of the underlying assets. Further, each potential acquisition and investment opportunity is assessed to determine the nature and total amount of capital required together with the relative proportions of debt and equity to be deployed. The Company does not presently utilize any quantitative measures to monitor its capital.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 2(b) – Going concern.

Management made critical judgments to determine that the fair market value to be assigned to the Loon shares issued from treasury regarding the Debt Settlement, would fall within a range of $Cdn 0.005 per share to $Cdn 0.05 per share. Management has used a fair market value for the treasury shares issued of $Cdn 0.05 per share based on NEX trading activity during the period before and after the share issuance together with the TSXV's minimum share issuance price and approval received from the TSXV to issue the shares for the Debt Settlement.

During the year ended December 31, 2021, the Company issued stock options to certain Officers and Directors. Management made critical judgments to determine that the fair value of stock option awards. These estimates affect the amount recognized as share-based compensation in the statement of operations and comprehensive income and loss.

At December 31, 2021, there were no other critical judgments required to be made by management when applying the Company's significant accounting policies.

Internal Controls over Financial Reporting

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee meets at least annually with the Company's external auditors to review accounting, internal control, financial reporting, and audit matters. Internal controls over financial reporting have not changed significantly since the last reporting period.

Changes in Accounting Policies

Standards currently adopted

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2021. There are currently no such pronouncements that are expected to have a significant impact on the Company's financial statements.

Forward Looking Statements

This MD&A contains forward-looking statements. These statements relate to future events or future performance of the Company. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "predict", "seek", "propose", "expect", "potential", "continue", and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance, or achievements to vary from those described in this MD&A. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated, or expected.

Specific forward-looking statements in this MD&A, among others, include statements pertaining to the following:

- factors upon which the Company will decide whether or not to undertake a specific course of action;
- world-wide supply and demand for petroleum products;
- expectations regarding the Company's ability to raise capital;
- treatment under governmental regulatory regimes; and
- commodity prices.

With respect to forward-looking statements in this MD&A, the Company has made assumptions, regarding, among other things:

- the impact of increasing competition;
- the ability of farm-out partners to satisfy their obligations;
- the Company's ability to obtain additional financing on satisfactory terms; and
- the Company's ability to attract and retain qualified personnel.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- general economic conditions;
- volatility in global market prices for oil and natural gas;
- competition;
- liabilities and risks, including environmental liability and risks, inherent in oil and gas operations;

- the availability of capital; and
- alternatives to and changing demand for petroleum products.

Furthermore, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitable in the future.

The forward–looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. These statements apply only as of the date of this MD&A.

Novel Coronavirus ("COVID-19")

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency in regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. On April 30, 2020, the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of testing results for COVID-19 in the province.

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.

Subsequent Events

On January 4, 2022, the Company's shareholders approved the proposed Reverse Takeover of the Company by Optimind.

On January 5, 2022, the Company filed Articles of Continuance to Ontario and moved its head office to 4100, 66 Wellington Street West Toronto, Ontario.

On March 1, 2022, the Company and Optimind executed an amendment to the Definitive Agreement and agreed that the closing of the Transaction shall occur on or prior to June 30, 2022. Optimind also agreed to reimburse certain expenses of the company in the amount of $13,521 (Cdn$ 17,115).

On March 2, 2022, Optimind paid the Company $30,462 (Cdn$ 38,589) for General and Administrative expenses, of which $13,092 was related to expenses incurred in 2021 (Notes 5 and 7) and $17,370 was related to expenses incurred in 2022. The 2022 expenses related to costs of the Transaction and audit and accounting fees in accordance with the amendment of March 1, 2022.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at **www.sedar.com**. Copies of the information can also be obtained by contacting the Company by e-mail at **hmckenzie@outlook.com**.