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**FTC CARDS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(Expressed in Canadian dollars)

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Dated: May 2, 2022

Management's Responsibility for Financial Reporting:

The accompanying annual financial report for the year ended December 31, 2021 has been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). Other information contained in this document has also been prepared by management and is consistent with the data contained in the annual financial report.

This management's discussion and analysis ("MD&A") focuses on significant factors that affected the Company during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the financial statements of the Company and the notes thereto for the year ended December 31, 2021, and consequently, should be read in conjunction with the aforementioned financial statements for the year ended December 31, 2021.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the annual financial report and annual Management Discussion and Analysis (together the "annual filings") do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered by these annual filings, and the annual financial report together with the other financial information included in these annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these annual filings.

The Board of Directors approves the annual financial report together with the other financial information included in the annual filings and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all corporate filings prior to filing.

Description of Business:

FTC Cards Inc. ("FTC", "FTC Canada" and the "Company") was incorporated under the name "0934977 B.C. Ltd." under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to "FTC Cards Inc."

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares. These financial statements retrospectively reflect this share consolidation for all shares and per share amounts.

The Company was incorporated by CTF Technologies Inc. ("CTF") for the purposes of completing a reorganization whereby, pursuant to the terms of an Arrangement agreement between CTF and FleetCor Technologies Inc. ("FleetCor"), FleetCor would acquire all of the shares of CTF from its existing shareholders and FTC Canada would be "spun-out" from CTF, ie. all of the shares of FTC Canada owned by CTF would be dividended to its shareholders so that the former CTF shareholders became the new shareholders of FTC Canada. Consequently, on July 3, 2012, the completion date, FTC Canada ceased to be a wholly-owned subsidiary of CTF and became a reporting issuer, although its common shares are currently not listed on any exchange for trading in Canada or elsewhere.

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Description of Business (continued):

Also, pursuant to the terms of the Arrangement agreement, when the FTC Canada shares were issued to CTF, in return the Company acquired approximately 90.5% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Brazil") from CTF and assumed the management of the business of FTC Brazil. FTC Brazil is a limited liability company (sociedade limitada) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Brazil is held by Technis Planejamento e Gestão em Negócios Ltda. ("Technis"), a limited liability company (sociedade limitada) under the laws of Brazil and an unrelated party.

On October 17, 2014, at the request of the minority shareholder of FTC Brazil, the 9.5 per cent interest held by Technis was repurchased and cancelled, such that FTC Brazil became a wholly-owned subsidiary of FTC Canada with effect from October, 2014.

Effective December 1, 2017, FTC Brazil changed its registered name from FTC Cards Processamento e Serviços de Fidelização Ltda. to "Syspoints Servicos de Informatica Ltda."

On December 30, 2020, the Company sold FTC Brazil to its major shareholder, Arie Halpern. As a consequence, these financial statements are no longer consolidated, and reflect solely the financial position and results of the parent Canadian company, FTC Cards Inc.

On May 7, 2021, the Company entered into a non-binding letter of intent with Beyond Oil Ltd. ("Beyond Oil") to acquire, through a series of steps, all of the issued and outstanding securities of Beyond Oil. Beyond Oil is a developer and manufacturer of an innovative proprietary and patented formulation which eliminates the free fatty acids from cooking oil while preserving the oil's quality and nutritional values.

Proposed Transaction With Beyond Oil:

FTC entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") among FTC, Beyond Oil, and the shareholders of Beyond Oil (the "Shareholders"). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of Beyond Oil, in exchange for securities of FTC, constituting a reverse takeover (together with the related transactions and corporate procedures set forth in the SPA, the "Transaction").

In connection with the completion of the Transaction, FTC applied to list on the Canadian Securities Exchange (the "CSE") and has received conditional approval.

Transaction Terms

Pursuant to the terms of the SPA, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, at the closing of the Transaction (the "Closing"), FTC will acquire all the issued and outstanding securities of Beyond Oil. At the Closing, Beyond Oil will become a wholly-owned subsidiary of FTC (after the Closing, the "Resulting Issuer").

At the Closing, the shareholders of Beyond Oil will be issued: (a) such number of common shares of FTC (after the Closing, "Resulting Issuer Shares") that equals 50% plus 1 share of the total number of issued and outstanding Resulting Issuer Shares after giving effect to the Transaction (the "Vend-in Shares"); and (b) such number of warrants of the Resulting Issuer that equals 50% plus 1 share of the total number of issued and outstanding warrants of the Resulting Issuer outstanding after giving effect to the Transaction (the "Consideration Warrants"). Each Consideration Warrant will be exercisable for one Resulting Issuer Share at an exercise price of \$1.18 per share for a period of 12 months from the date of Closing ("Closing Date").

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Proposed Transaction With Beyond Oil (continued):

Transaction Terms (continued)

In addition, the selling shareholders will be entitled to, in the aggregate, that number of Resulting Issuer Shares as is equal to 10% of the issued and outstanding Resulting Issuer Shares as at the Closing (for a total of 40%), upon satisfaction of each of the following:

- a) the Resulting Issuer obtaining orders for at least US\$3 million from customers within 12 months of the Closing;
- b) the Resulting Issuer achieving US\$6 million in cumulative sales within 18 months of the Closing;
- c) the Resulting Issuer achieving US\$13 million in cumulative sales within 30 months of the Closing;
- d) the Resulting Issuer reaching positive EBITDA by the end of its fiscal year ended December 31, 2023

If the Resulting Issuer signs a definitive agreement with a major industry partner or oil producer on or before December 31, 2023 that results in the Resulting Issuer receiving US\$10 million in revenues over a 24 month period, such milestone may be used as a replacement for any one milestone in (a), (b), (c) or (d) above. The Resulting Issuer Shares issuable upon satisfaction of one or more of such milestones, the "Deferred Payment Shares". The Deferred Payment Shares will be issued upon the exercise of contingent value rights (the "Contingent Rights") issued at Closing and qualified by the Prospectus (as defined below).

In addition, all existing stock options of Beyond Oil will be exchanged for that same number of options of the Resulting Issuer on economically equivalent terms (the "Replacement Options") and all outstanding common share purchase warrants of Beyond Oil will be cancelled at Closing.

In addition to any legends required pursuant to applicable securities laws, all of the Vend-in Shares will be subject to a 36-month staged escrow, and certain Vend-In Shares will also be subject to a 24 month hold period pursuant to Israeli tax laws.

The completion of the Transaction is subject to the satisfaction of certain conditions, including but not limited to: (a) closing of the Concurrent Financing (as defined below); (b) the Resulting Issuer having cash of at least US\$3.5 million (less the amount of the Seed Loan and Bridge Loan, if any) and no liabilities other than Beyond Oil's Transaction expenses; (c) the absence of any material adverse change in the business of either Beyond Oil or FTC; (d) no proceeding or law being enacted or commenced that frustrates the consummation of the Transaction; (e) receipt of a pre-tax ruling from the Israeli Tax Authority; (f) the amendment of certain agreements to which Beyond Oil is a party; (g) approval of the shareholders of FTC to certain amendments to the articles of FTC and election of the Beyond Oil nominees to the board of directors of the Resulting Issuer (the "Resulting Issuer Board"); and (h) the receipt of all requisite regulatory, stock exchange or governmental authorizations and consents, including the approval of the CSE and receipt from the BC Securities Commission in respect of a prospectus qualifying the distribution of the Units pursuant to the Concurrent Financing, the Vend-In shares, the Consideration Warrants and the Contingent Rights (the "Prospectus").

Although there can be no assurance that the Transaction will be completed on the terms proposed above, or at all, on April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus and FTC expects the Transaction will close on or about May 5, 2022.

If Beyond Oil terminates the SPA for any reason other than as provided in the SPA or FTC terminates the SPA: (a) due to a material breach by Beyond Oil of any representation, warranty or covenant which Beyond Oil has failed to cure within ten business days; or (b) as a result of Beyond Oil completing an alternative transaction, Beyond Oil will pay FTC a termination fee of \$150,000 within 5 business days of such termination and repay the Seed Loan and Bridge Loan (as defined below), in accordance with the terms thereof. Finally, If Beyond Oil terminates the SPA due to a material breach by FTC of any representation, warranty or covenant which FTC has failed to cure within ten business days, FTC shall reimburse Beyond Oil its Transaction related expenses.

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Proposed Transaction With Beyond Oil (continued):

Transaction Terms (continued)

The SPA also contains customary representations and warranties and indemnities for breaches of representations and warrants, pre-closing tax losses and breaches of covenants in the SPA. Fifty percent of the unissued Contingent Rights will effectively be granted as security for the indemnification obligations of the shareholders and may be cancelled if, and to the extent, of an indemnification obligation.

Seed Financing & Seed Loan

As disclosed in FTC's news release dated June 22, 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of \$0.05 per share for gross proceeds of \$600,000 (the "Seed Financing"). In addition, if the Transaction completes, Resulting Issuer Shares issued in the Seed Financing to certain advisors of FTC will be subject to a contractual hold period whereby: (a) 25% of such FTC Shares will be free trading on the listing date of the Resulting Issuer ("Listing Date"); and (b) 25% of such FTC Shares will be free trading at each of the dates that are 6, 12 and 18 months from the Listing Date. All of the other FTC Shares issued in the Seed Financing will be deposited into escrow upon closing of the Transaction, as required by the policies of the CSE and applicable securities laws.

After completion of the Seed Financing, on July 7, 2021, FTC loaned Beyond Oil US\$50,000 (\$63,760) pursuant to an unsecured promissory note (the "Seed Loan"). On October 1, 2021, FTC loaned \$105,000 (\$134,850) to Beyond Oil, for the second Seed Loan. Proceeds from the Seed Loans have been used by Beyond Oil for expenses related to the Transaction and for general working capital.

Bridge Financing & Bridge Loan

Pursuant to the SPA, FTC is undertook a bridge financing comprised of 2,500,000 FTC Shares at a price of \$0.50 per share, for gross proceeds of \$1,250,000 (the "Bridge Financing"). All of the FTC Shares issued pursuant to the Bridge Financing will be subject to a statutory hold period ending four months plus one day after closing of the Bridge Financing. FTC may pay a finder's fee equal to 7% in cash to certain finders from proceeds in the Bridge Financing.

On November 5, 2021, FTC closed the first tranche of the Bridge Financing. A total of 1,528,000 common shares were issued for gross proceeds of \$764,000. On November 26, 2021, FTC closed the second tranche of the Bridge Financing. A total of 972,000 common shares were issued for gross proceeds of \$486,000.

It is expected that net proceeds from the Bridge Financing will be used by FTC for expenses related to the Transaction, for general working capital and for a secured loan to Beyond Oil (the "Bridge Loan"). It is expected that proceeds from the Bridge Loan will be used by Beyond Oil to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital.

After completion of the first tranche of the Bridge Financing, on November 17, 2021, FTC loaned Beyond Oil US\$450,000 (\$571,860), being the first tranche of the Bridge Loan. Subsequently, on December 22, 2021, FTC loaned Beyond Oil US\$175,000 (\$228,598), and on January 21, 2022, FTC loaned Beyond Oil US\$125,000 (\$159,073) being the second tranche and third tranche of the Bridge Loan, respectively.

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Proposed Transaction With Beyond Oil (continued):

Concurrent Financing

As a condition to closing of the Transaction, over three tranches which closed in 2022, FTC completed a concurrent private placement (the "Concurrent Financing") of non-transferable special warrants ("Special Warrants") for aggregate proceeds of \$3,500,000. At December 31, 2021, the Company had received \$1,243,094 for subscriptions to the Concurrent Financing.

Each Special Warrant has an issue price of \$0.75 per Special Warrant. Each Special Warrant will automatically convert, without the payment of any additional consideration (other than the proceeds paid by FTC in accordance with the Concurrent Financing), into one unit ("Unit"), on the date that is the earlier of: (a) the third business day after receipt of the Prospectus; and (b) 4 months and a day after the issue date of the Special Warrants. On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus.

Each Unit is comprised of one FTC Share and one half of one warrant (the "Concurrent Warrants"), each whole Concurrent Warrant being exercisable for one Resulting Issuer Share at an exercise price of \$1.25 per share for a period of 12 months after the Closing Date.

It is intended that the net proceeds from the Concurrent Financing will be used to complete the Transaction, to continue to implement Beyond Oil's business plan, including sales & marketing, product development, and for general working capital.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US\$500,000 upon the Resulting Issuer receiving at least \$2,500,000 pursuant to the exercise of Concurrent Warrants and Consideration Warrants.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in the amount of 7.5% of gross proceeds in cash and the issuance to certain finders of the number of finder's warrants ("Finders' Warrants") equal to 7.5% of the number of securities sold in the Concurrent Financing, where each Finders' Warrant will be exercisable to purchase one Resulting Issuer Share at the Special Warrant Issue Price for a period of one year after the Closing.

Finders' Fee Shares

The SPA provides that the Resulting Issuer will issue such number of Resulting Issuer Shares as are equal to an aggregate of 7% of the number of Vend-in Shares (the "Finders' Fee Shares") being issued in connection with the Transaction to certain finders. It is expected that the distribution of the Finders' Fee Shares will be qualified by the Prospectus.

Resulting Issuer

On closing of the Transaction, FTC will change its name to "Beyond Oil Ltd." and will carry on the business conducted by Beyond Oil, and the Resulting Issuer Shares will be listed under a new trading symbol.

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Results of Operations for the Three Months Ended December 31, 2021:

During the three months ended December 31, 2021, the Company incurred consulting, director and management fees of \$92,235 and legal fees of \$32,190, both primarily related to the proposed transaction with Beyond Oil, which were higher than the \$1,428 and \$16,906 incurred respectively during the fourth quarter of last year. The Company incurred \$10,151 for foreign exchange expense during the fourth quarter, compared to negative \$7,886 for the same quarter of last year. During the fourth quarter of the current year, the Company incurred office and miscellaneous expenses of \$2,202 and transfer agent and filing fees of \$14,203 compared to the amounts for the fourth quarter of last year of \$12,105 and \$1,042, respectively. During the fourth quarter of this year, the Company incurred share-based compensation expense of \$360,750 whereas there was no share-based compensation expense in the prior year. During the current quarter, the Company also incurred accounting and audit fees of \$14,481 compared to \$1,000 incurred during the same period of last year.

In the fourth quarter of last year, the Company recorded a gain of \$55,000 for settlement of an advance, a gain of \$344,000 for debt settlement and a gain of \$294,000 for sale of its investment. These amounts were all associated with the sale of FTC Brazil, which was sold in December, 2020.

As a result, the Company incurred a net loss in the amount of \$526,212 or \$0.03 per share for the three months ended December 31, 2021, compared to net income of \$668,405 or \$0.21 per share for the fourth quarter of last year.

Results of Operations for the Year Ended December 31, 2021:

During the year ended December 31, 2021, the Company incurred accounting and audit fees of \$28,718, compared to \$4,100 incurred last year. Consulting, director and management fees of \$248,235 and legal fees of \$177,078 were incurred in the current year, both primarily related to the proposed transaction with Beyond Oil, compared to the \$65,408 and \$70,025 incurred respectively last year. The Company incurred foreign exchange expense of \$11,602 this year, compared to negative \$2,824 last year. During this year, the Company incurred office and miscellaneous expenses of \$2,661 and transfer agent and filing fees of \$25,771 compared to the amounts for last year of \$13,369 and \$3,238, respectively. During this year, the Company incurred share-based compensation expense of \$360,750 whereas there was no share-based compensation expense in the prior year.

Last year, the Company recorded a gain of \$55,000 for settlement of an advance, a gain of \$344,000 for debt settlement and a gain of \$294,000 for sale of its investment. These amounts were all associated with the sale of FTC Brazil, which was sold in December, 2020.

As a result, the Company incurred a net loss in the amount of \$854,815 or \$0.08 per share for the year ended December 31, 2021, compared to net income of \$539,684 or \$0.15 per share for last year.

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Selected Annual Financial Information:

	<b>For the Year Ended December 31, 2021</b>	<b>For the Year Ended December 31, 2020</b>	<b>For the Year Ended December 31, 2019</b>
Total revenues	\$ Nil	Nil	6,000
Income (loss) before discontinued operations and extraordinary items:			
(i) total for the year	\$ (854,815)	\$ 539,684	\$ (80,000)
(ii) income (loss) per share – basic	(0.08)	0.15	(0.02)
(ii) income (loss) per share – diluted	(0.08)	0.15	(0.02)
Net income (loss):			
(i) total for the year	\$ (854,815)	\$ 539,684	\$ (80,000)
(ii) income (loss) per share – basic	(0.08)	0.15	(0.02)
(ii) income (loss) per share – diluted	(0.08)	0.15	(0.02)
Total assets	\$ 2,697,115	\$ 66,555	\$ 8,069,000
Total long-term financial liabilities	-	-	-
Cash dividends declared per-share	-	-	-

Selected Quarterly Financial Information:

	<b>Revenues</b>	<b>Income (Loss) for the period</b>	<b>Income (Loss) per share</b>
4 <sup>th</sup> Quarter ended December 31, 2021	Nil	(\$526,212)	(\$0.03)
3 <sup>rd</sup> Quarter ended September 30, 2021	Nil	(\$162,956)	(\$0.01)
2 <sup>nd</sup> Quarter ended June 30, 2021	Nil	(\$142,049)	(\$0.03)
1 <sup>st</sup> Quarter ended March 31, 2021	Nil	(\$23,598)	(\$0.01)
4 <sup>th</sup> Quarter ended December 31, 2020	Nil	\$668,000	\$0.19
3 <sup>rd</sup> Quarter ended September 30, 2020	Nil	\$8,000	\$0.00
2 <sup>nd</sup> Quarter ended June 30, 2020	Nil	(\$1,000)	(\$0.00)
1 <sup>st</sup> Quarter ended March 31, 2020	Nil	(\$135,000)	(\$0.04)

In the fourth quarter of 2020, the Company continued with minimal administrative costs of \$33,000 and a declining working capital position while it identified new opportunities to sustain its operations into the future. However, in the quarter, the Company received shareholder approval to sell its wholly-owned Brazilian subsidiary to its major shareholder and realized a gain arising from releases of indebtedness, which resulted in a profit for the fourth quarter of \$668,000 or \$0.19 per share.

Outstanding Share Data:

Authorized: Unlimited number of common shares without par value.

On May 21, 2021, the Company completed a consolidation of its shares on a 16.5:1 basis. Immediately after the consolidation was effective, there were 3,535,101 issued and outstanding shares.

On June 22, 2021, the Company closed a non-brokered private placement of 12,000,000 common shares, at a price of \$0.05 per share, for gross proceeds of \$600,000. The Company incurred cash share issuance costs of \$965.

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Outstanding Share Data (continued):

On November 5, 2021, the Company closed a non-brokered private placement of 1,528,000 common shares, at a price of \$0.50 per share, for gross proceeds of \$764,000. During the period ended December 31, 2021, the Company received \$30,000 for subscriptions to the private placement.

On November 26, 2021, the Company closed a non-brokered private placement of 972,000 common shares, at a price of \$0.50 per share, for gross proceeds of \$486,000. The Company incurred cash share issuance costs of \$5,250.

As at May 2, 2022, the Company had 18,035,101 common shares outstanding.

Special Warrants:

As a condition to closing of the Transaction with Beyond Oil, over three tranches which all closed in Fiscal 2022, FTC completed the Concurrent Financing of 4,666,667 Special Warrants for aggregate gross proceeds of \$3,500,000. As at December 31, 2021, the Company had received \$1,243,094 for subscriptions to the Concurrent Financing.

Each Special Warrant has an issue price of \$0.75 per Special Warrant. Each Special Warrant will automatically convert, without the payment of any additional consideration (other than the proceeds paid by FTC in accordance with the Concurrent Financing), into one unit ("Unit"), on the date that is the earlier of: (a) the third business day after receipt of the Prospectus; and (b) 4 months and a day after the issue date of the Special Warrants. On April 29, 2022, the BC Securities Commission issued a receipt for the Prospectus.

Each Unit is comprised of one FTC Share and one half of one warrant (the "Concurrent Warrants"), each whole Concurrent Warrant being exercisable for one Resulting Issuer Share at an exercise price of \$1.25 per share for a period of 12 months after the Closing Date.

The SPA provides that the Resulting Issuer may pay finders' fees to certain finders in cash and the issuance of finder's warrants ("Finders' Warrants"), where each Finders' Warrant will be exercisable to purchase one Resulting Issuer Share at the Special Warrant Issue Price for a period of one year after the Closing. In connection with the Concurrent Financing, in Fiscal 2022, the Company paid finders' fees of \$170,100 in cash and issued 226,801 Finders' Warrants.

Stock Options:

On September 26, 2021, the Company adopted a stock option plan (the "Stock Option Plan"). The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. The Stock Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the closing market price of Common Shares on: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

On November 8, 2021, the Company granted 975,000 stock options to certain directors, officers and consultants. The options have an exercise price of \$0.50 per share and an expiry date of November 8, 2031. All of the options vested immediately and the Company recognized share-based compensation of \$360,750.

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Stock Options (continued):

The Company had the following stock options outstanding at December 31, 2021 and 2020:

Expiry Date	Exercise Price	December 31, 2020	Granted	December 31, 2021	Exercisable
	\$				
November 8, 2031	0.50	-	975,000	975,000	975,000

During 2022, there were no changes to the number of stock options outstanding. Consequently, as at May 2, 2022, the Company had 975,000 stock options outstanding.

The following assumptions were used for the Black-Scholes options pricing model valuation of the stock options granted during the year ended December 31, 2021:

Risk-free interest rate	1.63%
Expected life of options	10.00
Expected annualized volatility	69.18%
Exercise price	0.50
Weighted average fair value of options granted	0.37
Expected dividend rate	-

Liquidity:

The Company ensures that there is sufficient capital in order to meet its business requirements, after taking into account administrative and due diligence expenses. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The operating loss for the year of \$854,815, after adjustments for non-cash items and changes in other working capital balances, resulted in a net decrease in cash from operating activities amounting to \$483,881.

During the year, the Company advanced a Seed Loan and Bridge Loan to Beyond Oil in the cumulative amount of US\$780,000 (\$999,068).

During the year, the Company closed non-brokered private placements of 14,500,000 common shares for gross proceeds of \$1,850,000. The Company incurred cash share issuance costs of \$6,215. During this year, the Company also received Special Warrant subscriptions of \$1,243,094 for the Concurrent Financing which closed in Fiscal 2022.

Consequently, the Company's cash position increased from the opening level of \$65,369 at the beginning of the year to \$1,689,193 as at December 31, 2021.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto.

As at May 2, 2022, the Company had cash of \$3,455,419.

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Corporate Summary:

There has been volatility in the stock markets, which may raise questions about the Company's ability to raise new capital and thereby sustain its operations. There is no certainty that the Company will continue to be successful in its efforts to raise new capital, which would cause the Company to reconsider its viability as a going concern at that time and how best to sustain a reduced level of operations, pending a return to better market conditions when a financing could be completed.

Capital Resources:

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company is unable to finance its operations from cash flow, the Company expects to rely primarily on equity financings to meet its capital requirements in the future.

There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

Related Party Transactions:

The Company considers its officers and directors to be key management personnel.

During the year ended December 31, 2021 and 2020, the Company's transactions with related parties are as follows:

Name and Position	Business Purpose	Year Ended December 31, 2021	Year Ended December 31, 2020
		\$	\$
Robert Kiesman (CEO and director)	Director fees	14,750	-
Tag Gill (CFO)	Management fees	9,000	-
Kyle Haddow (director)	Director fees	10,000	-
Denise Pilla (Corporate Secretary)	Management fees	6,250	-
Share-based compensation	Stock options	185,000	-
<b>Total</b>		<b>225,000</b>	<b>-</b>

As at December 31, 2021 and December 31, 2020, the Company had the following amounts owed to related parties.

Name and Position	Business Purpose	December 31, 2021	December 31, 2020
		\$	\$
Robert Kiesman (CEO and director)	Director fees	6,300	-
Tag Gill (CFO)	Management fees	4,200	-
Kyle Haddow (director)	Director fees	5,250	-
<b>Total</b>		<b>15,750</b>	<b>-</b>

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Off Balance Sheet Arrangements:

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity or any obligation under derivative instruments. Nor has the Company engaged in any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

Financial Instruments and Capital Risk Management:

*Fair Values*

The Company's financial instruments consist of cash and accounts payable, the fair values of which approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments as at December 31, 2021:

	Category	\$
Cash	Amortized cost	1,689,193

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	1,689,193	-	-	1,689,193

*Credit Risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places cash with high credit quality financial institutions. As at December 31, 2021, the maximum amount of credit risk the Company is exposed to through its financial assets is \$2,697,115.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 2). The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company requires financing to meet its short-term obligations to support operations.

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Financial Instruments and Capital Risk Management (continued):

*Liquidity Risk (continued)*

The Company monitors its ability to meet its short-term expenditures for the identification, evaluation and acquisition of assets of a business by raising additional funds through share issuance when required. The following are the contractual maturities of financial liabilities as at December 31, 2021:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years	Over 3 years
	\$	\$	\$	\$	\$	\$
Accounts payable	59,722	59,722	59,722	-	-	-

Forward Looking Statements:

This MD&A and other public announcements by the Company may contain information that is forward looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Company's future financial performance, business strategy, plans, goals, and objectives. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. In particular, forward-looking statements included in this MD&A include, but are not limited to, the focus of capital expenditures; expectations regarding the ability to raise capital and to identify and evaluate business and assets with a view to complete a Qualifying Transaction; timing of adoption and implementation of new accounting policies and timing of payment of dividends.

These statements involve known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, among other things: the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; changes to the laws, rules, and regulations applicable to the Company; unavailability of financing; changes in government regulation; general economic conditions; general business conditions; escalating professional fees; escalating transaction costs and the failure to successfully complete a Qualifying Transaction.

With respect to forward-looking statements contained in this MD&A, the Company has made assumptions regarding: timing and amount of capital expenditures; future exchange rates; conditions in general economic and financial markets; availability of potential business assets required to complete a Qualifying Transaction; effects of regulation by governmental agencies and future operating costs.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on the Company's future outlook and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The Company does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as expressly required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

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Additional Information:

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).