Management's Discussion and Analysis

The following discussion is management's assessment and analysis of the results and financial condition of Butte Energy Inc. (the "Company" or "Butte"), and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements as at September 30, 2022 and related notes. The preparation of financial data is in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") and all figures are reported in Canadian dollars unless otherwise indicated.

The effective date of this report is November 24, 2022.

Caution Regarding Forward Looking Information

Certain information included in this discussion may constitute forward looking statements. Forward looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The Company currently has no active operations and is evaluating opportunities, including those outside of the oil and gas industry. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operation, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), environmental matters, business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause costs of the Company's results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risks and Uncertainties section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

Description of Business

The Company is incorporated under the Business Corporations Act (British Columbia). The Company's head office and principal and registered address is 3123-595 Burrard Street, Vancouver, British Columbia, V7X 1J1 Canada. The Company lists its common shares on the NEX board of the TSX Venture Exchange under the symbol BEN.H.

The Company had been engaged in the acquisition, exploration and development of petroleum and natural gas reserves in Western Canada. In 2017, the Company sold its last remaining asset and has no active operations other than the completion of reclamation activities on previously abandoned wells. The board of directors have been evaluating potential opportunities, including those outside of the oil and gas industry.

Overview of Prior Oil and Gas Operations

The Company operated one well at Chigwell 04-35-042-26 W4M, which was shut-in since February 1, 2015. The well was shut-in due to AER guidelines relating to overproduction of non-native gas (CO_2). In 2015, the Company actively started to sell the Chigwell property. The Company placed the well at Chigwell 04-35-042-26 W4M in production in February 2017 before shutting it down again at the end of March 2017. On August 15, 2017, the Company announced the completion of the sale of the Chigwell properties, which constituted the final disposition of the Company's remaining asset. Proceeds of the sale were used for the payments of the liabilities of the Company, and the then board of directors actively sought a transaction(s) whereby the Company could continue as a going concern.

The Company still has obligations regarding the finalization of the reclamation of previously abandoned well sites. A provision of $73,944 for the expected reclamation costs is included in the Company's statement of financial position as at September 30, 2022 (December 31, 2021: $73,944). The reclamation process is expected to be completed in Q4 2022.

Overall Performance and Results of Operations

Total assets decreased to $104,283 at September 30, 2022, from $149,628 at December 31, 2021. The decrease in assets was primarily due to cash of $20 as at September 30, 2022, compared to $40,520 as at December 31, 2021. The decrease in cash during the nine months ended September 30, 2022, was the result of $40,500 used in operating activities.

Three months ended September 30, 2022 and 2021

During the three months ended September 30, 2022, the Company recorded a net loss and comprehensive loss of $289,405, compared to a loss of $16,647 during the three months ended September 30, 2021. Net loss and comprehensive loss for the three months ended September 30, 2022, increased by $272,758 primarily due to:

- An increase of $48,404 in regulatory and transfer agent. Regulatory and transfer agent expenses during the prior comparative period includes refunds received for filing fees related to stock option plan filing and the terminated transaction with Genesis Group Limited (the "terminated Transaction").

- An increase of $237,799 in share-based compensation. In July 13, 2022, the Company granted 4,250,000 incentive share options to certain directors, officers, consultants and charitable organizations at a price of $0.07 per share, exercisable until July 13, 2032.

The increase in net loss was partially offset by:

- A decrease of $13,840 in professional fees. The decrease was due to increased legal expenses incurred in the prior comparative period related to the terminated Transaction.

Nine months ended September 30, 2022 and 2021

During the nine months ended September 30, 2022, the Company recorded a net loss and comprehensive loss of $380,341, compared to a loss of $322,919 during the nine months ended September 30, 2021. Net loss and comprehensive loss for the nine months ended September 30, 2022, increased by $57,422 primarily due to:

- An increase of $24,235 in regulatory and transfer agent. Regulatory and transfer agent expenses during the prior comparative period includes refunds received for filing fees related to stock option plan filing and the terminated Transaction.

- An increase of $237,799 in share-based compensation. In July 13, 2022, the Company granted 4,250,000 incentive share options to certain directors, officers, consultants and charitable organizations at a price of $0.07 per share, exercisable until July 13, 2032.

The increase in net loss was partially offset by:

- A decrease of $211,719 in professional fees. The decrease was due to increased legal expenses incurred in the prior comparative period related to the terminated Transaction.

Liquidity and Capital Resources

As at September 30, 2022, the Company had working capital deficiency of $88,167 (December 31, 2021: working capital of $54,375).

Presently, the Company does not generate sufficient cash flows from its operations, and has no active operations as of September 30, 2022. Consequently, the new board of directors and management have been evaluating potential opportunities, including those outside of the oil and gas industry.

In order to fund future operations or acquisitions, the Company will need to raise additional funds by way of equity or debt. There is no assurance that the Company will be able to raise such funds on terms acceptable to it. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company has no bank debt or banking credit facilities in place.

Outstanding Share Data

As at September 30, 2022, there were 319,384,202 common shares issued and outstanding and 11,750,000 share options outstanding and exercisable.

Subsequent to September 30, 2022, 2,000,000 share options were exercised for proceeds of $140,000.

As at the date of the MD&A, there were 321,384,202 common shares issued and outstanding and 9,750,000 share options outstanding and exercisable.

Summary of Quarterly Results

The following is a summary of quarterly financial information prepared in accordance with IFRS:

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	(289,405)	(49,002)	(41,934)	(38,866)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	(16,647)	(29,667)	(276,605)	(908,301)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Q4 2020 included share-based compensation of $798,670. Q1 2021 included increased legal fees and regulatory expenses related to the terminated Transaction. Q2 2021 included legal credits received related to the terminated Transaction in Q1 2021. Q3 2021 included filing fees refunds received related to the stock option plan and terminated Transaction in Q1 2021. Q3 2022 included share-based compensation of $237,799.

Related Party Transactions

Compensation of key management personnel

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

Key management personnel compensation during the nine months ended September 30, 2022 included share-based compensation of $69,941 (2021: $nil).

Risks and Uncertainties

The Company was engaged in the acquisition and exploration of oil and gas projects, an inherently risky business, and there was no assurance that economically recoverable resources would ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources.

Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage. While the Company's management and technical team carefully evaluated all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources.

The Company depended on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

Covid-19

To the date of this report, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

FINANCIAL INSTRUMENTS

Financial Risk Management and Fair Value Measurement

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, reclamation deposits and amounts payable and accrued liabilities. Their carrying values approximate fair value due to the short-term nature of these instruments. Cash is carried at fair value.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

<u>*Credit Risk*</u>

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company is exposed to credit risk on cash. The Company reduces its credit risk on cash by maintaining its bank account with a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of its cash.

Liquidity Risk

The Company's cash is invested in bank accounts which are available on demand. As at September 30, 2022, the Company had working capital deficiency of $88,167 and requires additional funding to continue operations for the next twelve months.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) *Interest Rate Risk*

   The Company is nominally exposed to interest rate risk. The Company's cash earns interest at variable rates. Interest rate exposure is considered to be insignificant.

b) *Foreign Currency Risk*

   The Company is nominally exposed to material currency risk.

c) *Price Risk*

   The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Management's Report on Internal Control over Financial Reporting

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

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Outlook

The Company is constantly seeking opportunities in the natural resource industry and in new industries.

Additional information relating to the Company is available on SEDAR at www.sedar.com.