Background

This Management Discussion and Analysis – Quarterly Highlights ("Quarterly Highlights") of financial position and results of operation for Knol Resources Corp. (the "Corporation" or "Knol") is prepared as at August 29, 2018. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim financial statements as at and for the six months ended June 30, 2018 and with the Corporation's audited financial statements as at and for the year ended December 31, 2017.

Except as otherwise disclosed, all dollar figures included in the audited consolidated financial statements and in the following MD&A are quoted in Canadian dollars, and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Additional information relevant to the Corporation's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following Quarterly Highlights constitute forward-looking statements. Such forward-looking statements may include, but are not limited to Corporation's expected future financial position, financial and operational results, the execution of the Company's business strategy, access to capital, and the outcomes of uncertain events. When used in these Quarterly Highlights, words such as "believe," "anticipate," "project," "intend," "expect," "may," "will," "plan," "attempts," "seeks," and similar expressions are intended to identify these forward-looking statements.

Significant forward-looking statements made in these Quarterly Highlights include, but are not limited to expectations for the timing, nature and structure of new operating activities; expected payments required for environmental reclamation; and expected payments paid or received on the disposition of assets and liabilities held for sale.

The Corporation's actual results are dependent on factors such as the availability of oil and gas assets or investment opportunities on terms acceptable to the Corporation and general financing market conditions. As such, actual performance or achievements could differ materially from those expressed in, or implied by these forward-looking statements, and accordingly, no assurance can be given that any events, situations or outcomes indicated in these forward-looking statements will transpire or what benefits or liabilities to the Corporation will arise from these outcomes. Accordingly, readers of these Quarterly Highlights are cautioned against placing undue reliance on forward-looking statements.

Corporation Overview and Outlook

The Corporation currently has no significant business activities or operating assets and is seeking a strategic business or asset acquisition that would benefit from the Corporation's balance of cash and cash equivalents, its status as a publicly-listed entity and its historical tax losses.

To facilitate its transition to new operations, the Corporation is seeking to discharge its remaining asset retirement obligations from two legacy oil and gas interests that remain from its historical operations. The Corporation has entered into an agreement to assign its interest, subject to regulatory approvals, in one site and is considering various alternatives to reclaim or otherwise discharge its reclamation obligation for the second site.

Analysis of the Corporation's Financial Performance and Condition

($ thousands, except as indicated)	**Q2 2018**	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Revenues								
Interest income	**15**	13	12	13	11	12	12	15
Expenses								
General and administrative costs	**63**	63	94	86	79	124	103	207
Environmental reclamation	-	-	-	-	100	-	50	-
Other (gains) losses	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	**(49)**	(50)	(82)	(73)	(168)	(113)	(141)	(192)
Basic and diluted loss per share	**(0.00)**	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Working capital surplus	**3,490**	3,539	3,589	3,671	3,729	3,897	3,939	4,080

General expense structure

Interest income for the reported quarters was earned on term deposits held by the Corporation. Interest income for each quarter fluctuates with the principal balance invested and market interest rates.

General and administrative costs comprise audit and legal services, share-based compensation, consulting fees for land, accounting and management services and exchange listing and other costs incurred as a public company. Generally, these costs are consistent from quarter to quarter, but there were significant increases in the third and fourth quarters of 2016 for legal and consulting fees incurred in connection with an unsuccessful corporate acquisition. Additionally, share-based compensation expenses of $70 thousand and $15 thousand were recorded in the first and third quarters of 2017, respectively, following the grant of stock options. Finally, the Corporation accrued for year-end audit fees in the fourth quarters of 2017 and 2016, which resulted in increased general and administrative costs in these periods.

In the fourth quarter of 2016, the Corporation increased its reclamation provision related to is remaining oil and gas interests by $50 thousand to reflect a contingency component of a work estimate received from a potential reclamation contractor and an additional $100 thousand was recorded in the second quarter of 2017 as the reclamation scope was finalized.

Three months ended June 30, 2018

The Corporation reported a $48,528 net loss for the three months ended June 30, 2018 (2017 - $168,159). The decreased net loss was largely owing to a $100,000 non-cash expense recognized in 2017 for an increase in the expected costs for the Corporation's environment reclamation obligations related to its remaining oil and gas interests. Additionally, the Corporation reduced its legal and audit fees by $11,160 and its insurance costs by $3,500 in 2018, which reflect a minimal level of operating activities. Other costs incurred for the three months ended June 30, 2018 include on-going land and administrative consulting fees, insurance expenses and other administrative charges. These charges were incurred at levels consistent with prior periods.

Six months ended June 30, 2018

The Corporation reported a $98,826 net loss for the six months ended June 30, 2018 (2017 - $280,785). In addition to the same cost reductions discussed for the three months ended June 30, 2018, the decreased net loss in 2018 partly resulted from a $70,363 share-based compensation expense in 2017 related to the grant of stock options. These options were fully-vested on grant and no equivalent expense was recognized in 2018.

As at June 30, 2018, the Corporation had cash and cash equivalents of $3,575,027, a decrease of $105,928 from December 31, 2017 as a result of operating expenditures during the period. The Corporation had $23,135 in accounts payable and accrued liabilities as at June 30, 2018 (December 31, 2017 - $31,640). Total liabilities, which includes liabilities associated with assets held for sale and an asset retirement obligation in addition to accounts payable and accrued liabilities was $423,135 as at March 31, 2017 compared with $431,640 as at December 31, 2017 with the only change being the payment of accounts payable and accrued liabilities during the six months ended June 30, 2018.

Related Party Transactions

Consulting fees for the six months ended June 30, 2018 includes $15,000 (2017 - $15,000) for consulting services provided by Michael Atkinson, the Corporation's President and Chief Executive Officer. The fees were incurred for management and business development services provided in the normal course of business, and have been measured at an exchange amount.

Consulting fees for the six months ended June 30, 2018 includes $48,000 (2017 - $48,000) for consulting services performed by Earlston Management Corp. ("Earlston"), an entity related by virtue of providing key management services to the Corporation. As at June 30, 2018, $16,000 (December 31, 2017 - $8,000) is included in accounts payable and accrued liabilities for amounts owing to Earlston.