COBRA VENTURE CORPORATION

Management's Discussion and Analysis

For the three-month period ended February 28, 2022

DESCRIPTION OF BUSINESS

The following is management's interim discussion and analysis ("MD&A"), prepared as of April 21, 2022. This MD&A should be read in conjunction with the unaudited Interim Financial Statements for the three months ended February 28, 2022 and the accompanying notes, the Company's audited Financial Statements and the accompanying notes for the year ended November 30, 2021, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

The Company is an emerging energy company focused on the acquisition, development and production of strategic petroleum and natural gas interests in Western Canada (see discussion below in "Results of Operations"). The recoverability of the amounts shown for petroleum and natural gas interests are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production. The Company trades on the TSX Venture Exchange under the symbol CBV.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the period ended February 28, 2022, and up to April 21, 2022:

Result of operations for the three-month period ended February 28, 2022:

Net earnings for the three-month period ended February 28, 2022, was $35,212 compared to a loss of $48,052.

Oil and gas revenue for the three-month period ended February 28, 2022, was $373,996 compared to $213,749 in the comparative three-month period ended November 30, 2021. The increase in production revenue was primarily due to the return of production revenue from pre-pandemic Covid-19 levels where certain of the Company's operators elected to shut-in certain of their operating batteries due to the Covid-19 outbreak in the November 2020 comparative period and increasing oil and gas prices.

Direct costs for the three-month period ended February 28, 2022, were $211,391 compared to $157,055 in the comparative three-month period ended November 30, 2021. The costs increased in comparison to the comparative period due to increased production. The overall direct costs as a percentage of revenue has returned to pre-pandemic levels during the three months ended February 28, 2022, of 56.5% of sales compared to 73.5 during the period ended November 30, 2020.

Operating expenses for the three-month period ended February 28, 2022, were $117,927 compared to $116,658 in the comparative three-month period ended February 28, 2021, which remained consistent with the comparative period. Generally, there were no significant changes in operating expenses between the three-month period ended February 28, 2022, compared to the three-month period ended February 28, 2021.

The Company's other loss for the three-month period ended February 28, 2022, was $9,466 compared to income of $11,912 in the comparative three-month period ended February 28, 2021. The change was mainly due to marketable securities recording an unrealized loss of $9,502 in the current period compared to an unrealized gain of $11,877 in the comparative period on fluctuating market price of the Company's investment in Magnum Gold Corp.

PETROLEUM AND NATURAL GAS INTERESTS

Property and Equipment

Willesden Green area, Alberta

During the year ended November 30, 2007, the Company acquired a 40% net working interest in 160 acres of land in Central Alberta for $18,570.

During the year ended November 30, 2008, the Company acquired an 80% working interest in an oil well located in the Willesden Green area which is subject to applicable royalties, by incurring all costs, risk and expenses associated with completing the test well.

During the year ended November 30, 2009, the Company entered into an arrangement with a private oil and gas operator in the area and the operator agreed to perform some remedial work in the well and prepare and tie-in the well to earn 50% of the Company's interest being a 40% working interest.

During the year ended November 30, 2010, the operator completed its obligations, paid the Company $460,000 based on a BOE/day calculation and earned its 40% working interest.

During the year ended November 30, 2015, the Company recorded an impairment charge of $24,454 on the property due to a sustained decline in forecasted crude oil and natural gas prices.

During the year ended November 30, 2021, the Company recorded $Nil (2020 - $7,229) in production revenue.

On June 15, 2021, the Company entered into an asset conveyance agreement and transferred its interest entirely to the transferee. As part of the transfer, the Company paid $33,848 of reclamation costs.

Davey Lake area, Alberta

During the year ended November 30, 2010, the Company entered into an agreement with RNM Services Ltd. ("RNM") to earn a 13.5% working interest in a well located in the Davey Lake area by incurring all RNM's costs to drill, case, complete and equip and tie-in (or abandon) the well. The Company paid RNM a one-time fee of $26,250 to enter into this agreement.

Gull Lake, Saskatchewan

During the year ended November 30, 2013, the Company entered into a Participation Agreement whereby the Company (and two other arm's length companies) was granted the right to equally participate to drill and complete up to 4 initial test wells (each "Test Well") located in Gull Lake, Saskatchewan. Under the agreement, the Company had to pay 29.33% of the drilling costs of each Test Well to earn a net working interest of 14.665% in each well. The Company currently maintains a 14.665% interest in the Gull Lake project area.

During the year ended November 30, 2015, the Company recorded an impairment charge of $664,978 on the property due to a sustained decline in forecasted crude oil prices. The impairment was determined using a value in use approach using estimated expected cash flow based on proved plus probable reserves using a pre-tax discount rate of 10%.

During the year ended November 30, 2016, the Company recorded an impairment charge on the property of $98,917 due to a sustained decline in forecasted crude oil and natural gas prices.

The Company currently participates in 12 wells, 7 wells of which are operated by Taku Gas Ltd. ("Taku"), and 5 wells operated by Vital Energy Ltd. ("Vital"). As well, the Company has also elected to participate in the drilling of two development well locations. The additional wells will target the primary producing reservoir in the wells operated by Vital. Following the drilling of these two wells, and evaluation of the well results, Cobra has the option to elect to further participate in the drilling of a horizontal well.

During the year ended November 30, 2021, the Company recorded $1,589,972 (2020 - $976,326) in production revenue.

During the period ended February 28, 2022, the Company recorded $373,996 (2021- $213,749) in production revenue.

San Joaquin Basin Project, California

As initially discussed in August 2019, Cobra entered into a participation agreement (the "Agreement") with Makk Energy Ltd., a private oil and gas company controlled by Murray Rodgers, a Director of Cobra and QC Energy LLC, a private oil and gas company based in Denver, Colorado. Pursuant to the Agreement, Cobra has a nonoperating 25% working interest in the subject project. In early 2020, the joint venture group undertook an initiative to attract a strategic partner to fund leasing and drilling activity in the project area. While these initiatives were initially promising (with technical due diligence being concluded with favourable outcomes), the recent outbreak of Covid-19 pandemic, combined with the significant declines in the oil equity markets, has resulted in a pullback of interest in the project. The joint venture partners will continue to pursue new sources of capital for this project while working within the current global and local uncertainties surrounding oil and gas investments.

LIQUIDITY AND CAPITAL RESOURCES

The Company's petroleum and natural gas exploration activities have been funded to date primarily through revenue and the issuance of common shares. On March 23, 2022, the Company's board of directors has approved a special, one-time cash dividend of three cents per common share. The special dividend will be payable on May 4, 2022, to shareholders of record as of the close of business on April 6, 2022. The aggregate amount of the payment to be in connection with this special dividend will be approximately $477,113. The special dividend based on several factors, including the company's recently announced year-end financial results, the management team's assessment of the company's future capital requirements, and corporate and property interest opportunities.

As February 28, 2022, the Company had working capital of $2,448,770 compared to $2,383,632 as at November 30, 2021. As at February 28, 2022, the Company had cash and cash equivalents of $2,281,124 compared to $2,157,331 as at November 30, 2021.

Net cash provided by operating activities for the period ended February 28, 2022, was $161,484 (2021 - $123,663) consisting primarily of the operating loss for the period and the change in non-cash items.

Net cash used in investing activities for the period ended February 28, 2022, was $37,691 (2021 recovery - $3,048) consisting primarily of exploration and evaluation expenditures incurred for the current and comparative period.

MARKETABLE SECURITIES

Investments are marketable securities comprised of 475,076 (November 30, 2021 – 475,076) common shares in Magnum Goldcorp Inc., a publicly traded company. The Company and Magnum Goldcorp Inc. have certain directors in common.

INVESTMENT

At February 28, 2022, the Company had 350,000 shares (November 30, 2021 - 350,000) of Star Valley Drilling Ltd, a privately-owned company, valued at $350,000 (November 30, 2021 - $350,000) classified as FVTPL. As there is no quoted market price in an active market for the investment, the investment was initially measured at fair value which was the price paid by the company. There are no indicators during the current and prior year that cost might not be representative of fair value.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the financial statements.

	Year Ended November 30, 2021	Year Ended November 30, 2020	Year Ended November 30, 2019
Total revenues	$ 1,589,972	$ 983,558	$ 1,385,320
Total other items	4,892	(2,038)	11,423
Income (loss) before income taxes	113,322	(208,201)	56,251
Basic and diluted earnings (loss) per share	0.01	(0.01)	0.00
Comprehensive income (loss)	113,322	(208,201)	56,251
Total assets	3,455,153	3,274,474	3,474,873
Working capital	2,383,632	1,961,873	2,107,582

SUMMARY OF QUARTERLY RESULTS

	November 30, 2021	**November 30, 2021**	**August 31, 2021**	**May 31, 2021**
Total assets	$ 3,509,372	$ 3,455,153	$ 3,303,298	$ 3,258,219
Property and equipment	644,787	672,183	762,043	791,079
Working capital	2,448,770	2,383,632	2,168,487	2,100,453
Equity	3,366,476	3,331,264	3,143,272	3,106,674
Total revenues	373,996	681,764	344,601	349,858
Total other items	(9,466)	2,411	(2,335)	(7,096)
Operating expenses	117,927	137,896	117,843	233,350
Income (loss) before income taxes	35,212	187,992	36,598	(63,216)
Basic and diluted income (loss) per share	0.01	0.01	0.00	(0.00)

	February 29, 2021	**November 30, 2020**	**August 31, 2020**	**May 31, 2020**
Total assets	$ 3,242,829	$ 3,274,474	$ 3,170,551	$ 3,350,048
Property and equipment	864,772	925,833	941,053	865,138
Working capital	1,977,282	1,961,873	1,860,346	2,116,584
Equity	3,059,596	3,107,648	3,004,467	3,193,580
Total revenues	213,749	480,285	85,925	214,379
Total other items	11,912	2,411	4,786	(9,375)
Operating expenses	116,658	136,141	130,917	111,091
Income(loss) before income taxes	(48,052)	103,181	(189,113)	(56,591)
Basic and diluted income (loss) per share	(0.00)	0.01	(0.01)	(0.00)

RELATED PARTY TRANSACTIONS

Amounts paid or accrued to related parties are as follows:

Paid or accrued to:	Nature of transactions	February 28, 2022	February 28, 2021
A limited partnership of which a Director is a partner	Rent	$ 6,513	$ 5,954

Key management compensation is as follows:

Paid or accrued to:	Nature of transactions	February 28, 2022	February 28, 2021
Directors	Management (i)	$ 5,000	$ 5,000
Companies controlled by Directors and/or Officers	Management (i)	62,500	62,500
A company controlled by an Officer	Consulting	10,500	10,500
		$ 78,000	$ 78,000

i) There were no post-employment benefits, termination benefits, or other long-term employment benefits paid to key management in the year ended November 30, 2021 and the year ended November 30, 2020.

During the period ended February 28, 2022, the Company granted stock options to its officers and directors valued at $Nil (February 28, 2021 – ($Nil).

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly including any director (whether executive or otherwise) of the Company. The Company's key management personnel include the Chief Executive Officer, Chief Financial Officer and Directors.

The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

CHANGES IN ACCOUNTING POLICIES

The following accounting standards and amendments are effective for future periods, but are expected to have no significant impact on the Company's financial statements.

<u>Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)</u>

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments are effective for reporting periods beginning on or after January 1, 2022.

<u>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</u>

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2023.

FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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 or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, receivables, marketable securities and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity or capacity of prompt liquidation. Investments are measured at fair value, using level 3 hierarchy.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to trade receivable and cash and cash equivalents. Management believes that the credit risk concentration with respect to trade receivable is not significant and cash and cash equivalents is remote as it maintains accounts with highly-rated financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2022, the Company had a cash and cash equivalents balance of $2,281,124 (November 30, 2021 - $2,157,331) to settle current liabilities of $65,815 (November 30, 2021 - $49,338). All the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) *Interest rate risk*

The Company's current cash equivalents consist of a term deposit of $nil with historic low interest rates. Since the term deposit was cashed and the interest rates for term deposits are near zero, the Company believes it is not exposed to significant interest rate risk. The interest rate risk on the Company's obligations is not considered significant.

b) *Foreign currency risk*

The Company conducts its activities in Canada with Canadian dollars. Therefore, the Company believes it is not exposed to foreign currency risk.

c) *Price risk*

The Company has exposure to price risk with respect to commodity and 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's investment is in a privately-owned company. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for petroleum and natural gas are impacted by world and continental/regional economic and other events that dictate the level of supply and demand. The Company has no commodity hedges in place as at November 30, 2021 and November 30, 2020.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves, and retained earnings).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended February 28, 2022.

Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As at April 21, 2022:

a) Authorized: unlimited number of common shares without par value

b) Issued and outstanding: 16,003,748 common shares.

c) Outstanding incentive stock options:

Number of Options	Exercise Price	Expiry Date
1,290,000	$ 0.135	May 13, 2026

d) Outstanding warrants: Nil.

e) Shares in escrow or pooling agreements: Nil.

ABBREVIATIONS

Oil and Natural Gas Liquids		*Natural Gas*	
bbls	Barrels	mcf	thousand cubic feet
mbbls	thousand barrels	mmcf	million cubic feet
bbls/d	barrels of oil per day	mcf/d	thousand cubic feet per day
BOE/d	Barrels of Oil Equivalent per day	m3	cubic meters
NGLs	Natural Gas Liquids (consisting of any one or more of propane, butane and condensate thousand stock tank barrels of oil		
bpd	barrels of production per day		

OTHER

BOE Presentation – For the purposes of calculating unit costs, natural gas is converted to a barrel of oil equivalent (BOE) using six thousand cubic feet equal to one BOE unless otherwise stated. A BOE is a very approximate comparative measure that, in some cases, could be misleading, particularly if used in isolation.

BOE means Barrels of Oil Equivalent. A barrel of oil equivalent is determined by converting a volume of natural gas to barrels using the ration of six (6) mcf to one (1) barrel. BOEs may be misleading, particularly if used in isolation. The BOE conversion ration of six (6) mcf: one (1) bbl is based on an energy equivalency methods primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

GORR means Gross Overriding Royalty

ARTC Alberta Royalty Tax Credit

CONVERSION

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
mcf	Cubic meters	28.174
cubic meters	Cubic feet	35.494
bbls	Cubic meters	0.159
feet	meters	0.305
acres	hectares	0.405