BLUE HORIZON GLOBAL CAPITAL CORP.

(FORMERLY SENSOR TECHNOLOGIES CORP.)

Management's Discussion and Analysis
September 30, 2025

Date of Report: November 7, 2025

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Blue Horizon Global Capital Corp. (formerly - Sensor Technologies Corp.) (the "Company" or "Blue Horizon") should be read in conjunction with Company's interim unaudited condensed consolidated financial statements ("interim consolidated statements") and notes thereto as at and for the three and nine months ended September 30, 2025 and the annual audited consolidated financial statements for year ended December 31, 2024.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They are presented in compliance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company's expectations regarding its exploration and development activities, including expectations regarding the timing, costs and results of seismic acquisition, drilling and other activities, and future production volumes and sales, receipt of regulatory and governmental approvals, the Company's future working capital requirements, including its ability to satisfy such requirements, the exposure of its financial instruments to various risks and its ability to manage those risks, the Company's ability to use tax resource pools and loss carry-forwards, fees to be incurred by foreign subsidiaries and changes in accounting policies.

Forward-looking information involves 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 information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to oil and gas exploration activities generally, including the availability and cost of seismic, drilling and other equipment; our ability to complete our capital programs; geological, technical, drilling and processing problems, including the availability of equipment and access to properties; our ability to secure adequate transportation for our products; potential losses which would stem from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which we are reliant; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; our ability and the ability of our partners to attract and retain the necessary labour required to explore and develop our projects; potential conflicting interests with our joint venture partners; our failure or the failure of the holder(s) of licenses or leases to meet specific requirements of such licenses or leases; the failure by counterparties to make payments or perform their operational or other obligations in compliance with the terms of contractual arrangements between us and such counterparties; adverse claims made in respect of our properties or assets; operating hazards and other difficulties inherent in the exploration for and production and sale of crude oil and natural gas; political and economic conditions in the countries in which our property interests are located; obtaining the necessary financing for operations, our ability to generate taxable income from operations, fluctuations in the value of our portfolio investments due to market conditions and/or company-specific factors, fluctuations in prices of commodities underlying our interests and portfolio investments, and other risks included elsewhere in this MD&A under the heading "Risk Management" and

in the Company's public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.
Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether because of new information, future events or otherwise, except as otherwise required by law. All the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

About Sensor Technologies Corp.

Blue Horizon is continued under the Business Corporations Act (Ontario). The Company is an investment company whose primary objective is to identify promising companies with excellent projects, innovative technologies or both, using management's extensive experience in deal sourcing and capital combination to maximize returns for its shareholders. The Company intends to invest its funds with the aim of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities across a wide range of sectors and industry areas, including but not limited to the technology, software development and biotechnology industries and natural gas interests. The Company is domiciled in the province of Ontario and its head office is located at 196 Wildcat Rd., North York, Ontario, Canada. The Company trades on the Canadian Securities Exchange ("CSE") under the symbol "BHCC".

The interim unaudited consolidated statements were approved for issue by the board of directors on November 7, 2025.

These interim consolidated financial statements include the accounts of the Company and its subsidiaries, Mooncor Energy Inc. ("Mooncor Energy"), an Alberta Corporation, Primary Petroleum Company U.S. Inc ("PPCUSA"), a Montana, USA Corporation, Primary Petroleum Company LLC ("PPCLLC"), a Montana, USA Corporation and AP Petroleum Company ("APLLC"), a Montana, USA Corporation. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The interim unaudited consolidated statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company owns 25% of Sensor Technologies ("STI") and considers it to be an associate. An associate is an entity over which the investor has significant influence but not the control over the financial and operating policies. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and the operating policy decisions affecting the entity. Investments in associates are held as part of the Company's investment portfolio and carried in the proforma unaudited interim unaudited consolidated statements of financial position using the equity method of accounting where the Company recognizes its share of income or losses of the associate through interim unaudited consolidated statements of income (loss) and comprehensive income (loss).

In 2023, the Company acquired approximately 20% of the issued and outstanding securities in the capital of each of StemCell BioTech Ltd. ("Robotic") and 14125339 Canada Inc. ("1412"). As of date of this report, the Company did not exercise its right to have representation on the board of the companies and, as such, did not participate in the policy-making process. In addition, there were no material transactions between the Company and each of Robotic and 1412 or interchange of managerial personnel or provision of essential technical information or operating involvement. Accordingly, the Company determined that it does not have significant influence in these investees and as such, the investment in these two companies is being valued at fair value.

Summary of activities

a) Marketing agreement for license of 3D seismic data

The Company and its wholly owned subsidiary, Primary Petroleum Company USA Inc. and an arm's length third party, American Geophysical Corporation, USA, ("American") entered into a marketing agreement. Under the agreement, the Company agreed to allow American to act as exclusive marketing agent for the license of certain 3D Seismic Data subject to certain terms and conditions. American's fee for negotiating and handling the license of 3D data shall be ten percent of the total license fee of each individual transaction, and the Company's share shall be ninety percent of the total license fee of each individual transaction. For transactions involving an agent in addition to American, the above-stated commission shall be split equally - one-half for American to cover costs of marketing, retrieval/handling, preparing all necessary paperwork, and invoicing and collection of funds, and one-half to the other agent as a marketing fee.

b) Strategic review of oil and gas assets

The Company has commenced a strategic review of its oil and gas holdings, managed through its wholly-owned subsidiary, Mooncor Energy Inc. The Corporation is currently evaluating the potential reactivation of Well #4-28, situated in Lloydminster, Alberta. Any potential reactivation would require minimal repairs to optimize the Well for maximum production efficiency.

As part of the review, the Company has notified its partners, who maintain a 40% interest in Well #3-28, also in Lloydminster, Alberta, of the intention to abandon this well.

The successful reactivation of the Well #4-28 is expected to restore the Company to active production status, thereby strengthening its operational capabilities and enhancing overall asset value.

The Company also plans to assess the current status of its five other wells in response to a formal request from the Alberta Energy Regulator (AER). Following this comprehensive evaluation process, the Board of Directors will formulate the Corporation's mid-term and long-term strategic direction.

It should be noted that the evaluation and any subsequent reactivation activities are contingent upon the Company securing appropriate financing. Therefore, there can be no guarantee that the Company will successfully reactivate any of its wells

c) Securities Purchase Agreement with C2 Technology Innovations Ltd. ("C2")

The Company and C2 Technology Innovations Ltd. ("C2") have entered into a securities purchase agreement. ("C2"), is an arm's length Ontario-based company at the forefront of breakthrough technological advancements.

Under the terms of the agreement, the Company will acquire an aggregate of up to 15% of the issued and outstanding securities of C2 (the "C2 Shares") for a total purchase price of $30 million. The acquisition will be structured in three tranches:

1. For the initial 5% ownership interest, the Company will pay $10 million, which will be satisfied through the issuance of 200 million common shares in the capital of the Company at a price of $0.05 per share.
2. For an additional 2.5% ownership interest, the Company will pay $5 million, which will be satisfied through the issuance of a secured convertible debenture. The Debenture will be secured against a certain number of the C2 Shares, have a term of five years and will be convertible into common shares in the capital of the Company at a price of $0.05 per share.
3. For the remaining 7.5% ownership interest, the Company will pay $2 million per additional 1% ownership interest as cash consideration up to a maximum of $15 million in cash.

All securities issued pursuant to the Agreement are subject to a statutory hold period of four months and one day.

The issuance of the shares and the debentures may require the approval of the shareholders for the proposed dilution, with the potential to materially affect control and the Company. The Company is of the opinion that the issuance of the shares and the debentures does not require shareholder approval as the Company is an investment issuer and is not issuing common shares equal to 100% of the Company's issued and outstanding securities. Should the issuance of shares upon the exercise of the debentures result in the Company requiring shareholder approval, the Company shall obtain such approval prior to the issuance of the shares.

C2 is an innovative private company based in Ontario, Canada, dedicated to bringing cutting-edge innovations to market. C2 has secured exclusive master license agreements for four groundbreaking technologies poised to revolutionize multiple high-growth sectors, including energy, artificial intelligence, and visual computing. These transformative technologies include:

1. Perovskite Photovoltaics - An advanced solar energy technology that harnesses the unique properties of perovskite-based materials to achieve dramatic improvements in energy conversion efficiency and significant reductions in manufacturing costs. This technology is poised to revolutionize the renewable energy landscape by making solar power more accessible, efficient, and cost-effective worldwide, with the exception of China.
2. Solid-State Battery Systems - A cutting-edge, proprietary innovation developed using carbon quantum dots ("CQDs") technology to deliver high-performance energy storage technology that fundamentally redefines safety, energy density, and longevity compared to conventional lithium-ion batteries. This state-of-the-art energy solution is poised to redefine the standards of safety, performance, and versatility in the energy storage sector by replacing traditional liquid electrolytes with a solid-state electrolyte. CQDs batteries ensure unmatched safety, enhanced energy density, and long-lasting performance. The CQDs solid-state battery aligns with global sustainability goals by enhancing energy efficiency, reducing reliance on fossil fuels, and minimizing electronic waste. Its robust design and long lifespan contribute to a greener planet while powering a wide array of technologies. This technology represents a significant leap forward in energy storage, offering a more sustainable and reliable power solution for a wide array of applications globally, with the exception of China.
3. AI Vision Chip & Intelligence System - A comprehensive visual computing platform that seamlessly integrates AI-optimized chipsets with advanced capabilities for real-time 3D scene reconstruction and sophisticated video analytics. The proprietary intelligent vision chip acts as the critical "eye" for AI robots, enabling them to see, understand, and interact with the world. The high performance semiconductor chip combines visual data acquisition, AI processing, and decision-making in one platform. The strategic objective for this technology is global commercialization and marketing, excluding China.
4. Decentralized AI Infrastructure - A secure, distributed computing framework meticulously engineered to support advanced AI operations directly at the edge. This infrastructure is built upon a robust, peer-to-peer network architecture, ensuring unparalleled data sovereignty and computational resilience. It facilitates high-speed, privacy-centric data processing by minimizing reliance on centralized cloud systems, thereby mitigating risks associated with data breaches and single points of failure. Its modular design allows for seamless integration into existing systems and scalability to meet evolving demands. This technology addresses critical needs for secure and efficient AI deployment in highly sensitive sectors such as defense (for autonomous systems and real-time threat analysis), healthcare (for patient data privacy and on-device diagnostics), and financial services (for fraud detection and secure transaction processing). The goal for this technology is global commercialization and marketing, with the exception of China.

d) Private Placement

The Company has announced that it intends to raise gross proceeds of up to $500,000 (the "Offering") through a non-brokered private placement of up to 10,000,000 units (the "Units") at a price of $0.05 per Unit. Each Unit will consist of one common share of Sensor and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to acquire one common share of the Company at a price of $0.05 for a period of two years following the closing date of the Offering.

In addition, the Company intends to retain a licensed investment bank in the United States to host a Regulation A offering. This initiative aims to raise capital to satisfy the Cash Consideration component of the purchase price and significantly increase the Company's U.S. shareholder base, positioning the Company for broader market access and long-term investor engagement.

The closing of the Offering is subject to all necessary regulatory approvals. The securities being issued pursuant to the Offering will be subject to a four month hold period in accordance with applicable Canadian securities laws. The proceeds from the Offering will be used for general working capital purposes.

Going concern

The interim unaudited consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has a total comprehensive loss of $118,720 for the nine months ended September 30, 2025, working capital deficiency in the amount of $1,060,405 and a deficit in the amount of $10,254,102 as of September 30, 2025. Management estimates that the funds available as of September 30, 2025 will not be sufficient to meet the Company's potential capital and operating expenditures through to September 30, 2026. The Company will have to raise additional funds to continue operations. Although the Company has raised funds in the past, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The challenges of securing requisite funding and the cumulative losses indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These interim unaudited consolidated statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Results of Operation

Results of operations of the Company for the three and nine months ended September 30, 2025, 2024 and 2022 are as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	2023	2025	2024	2023
Interest income	$ 4,850	$ 4,712	$ 9,619	$ 14,250	$ 14,542	$ 27,599
Total revenue	$ 4,850	$ 4,712	$ 9,619	$ 14,250	$ 14,542	$ 27,599
Expenses						
Exploration expenses	(5,297)	(2,971)	(2,971)	(15,407)	(31,908)	(11,398)
Office and general expenses	(30,950)	(53,538)	(24,640)	(93,597)	(128,503)	(293,737)
Total expenses	$ (36,247)	$ (56,509)	$ (27,611)	$ (109,004)	$ (160,411)	$ (305,135)
Loss before undernoted	(31,397)	(51,797)	(17,992)	(94,754)	(145,869)	(277,536)
Finance costs	(10,050)	(47,547)	(4,142)	(23,980)	(57,735)	(12,066)
Gain (loss) on foreign exchange	(542)	441	(626)	896	(639)	24
Net loss for the period	(41,989)	(98,903)	(22,760)	(117,838)	(204,243)	(289,618)
Company's share of net loss of associate	-	-	(3,738)	-	-	(24,611)
	(41,989)	(98,903)	(26,498)	(117,838)	(204,243)	(314,229)
Other comprehensive income (loss) for the period						
Exchange differences on translation of foreign operations	533	(436)	636	(882)	631	(52)
Total comprehensive loss for the period	$ (41,456)	$ (99,339)	$ (25,862)	$ (118,720)	$ (203,612)	$ (314,281)

The Company's selected quarterly results for the eight most recently completed financial periods are as follows:

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Interest income	(1,324)	4,857	4,973	4,712	4,132	4,650	4,750	4,850
Total revenue	(1,324)	4,857	4,973	4,712	4,132	4,650	4,750	4,850
Gross profit (loss)	(1,324)	4,857	4,973	4,712	4,132	4,650	4,750	4,850
Total comprehensive loss	(9,898,369)	(50,258)	(54,015)	(99,339)	(109,213)	(35,552)	(41,712)	(41,456)
Income (loss) per common share based on net income (loss)	$ (0.04)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Interest earned on the deposit with Alberta Energy Regulators ("AER") for the nine months ended September 30, 2025 was $14,250 (2024 - $14,542).

Exploration expenses for the nine months ended September 30, 2025 of $15,407 (2024 - $31,908) mainly relate to lease renewal costs and property management fees. During the nine months ended September 30, 2025, the Company bid $nil (2024 - $10,617) for the petroleum and national gas rights of one of the wells.

Office and general expenses for the nine months ended September 30, 2025 were $93,597 (2024 - $128,503). Included in office and general expenses are corporate services for the nine months ended September 30, 2025 of $11,778 (2024 - $31,254 which included $12,715 cost of filing the 2023 annual financials) and professional fees of $34,156 (2024 - $51,844) including accrual for audit fees $30,000 (2024 - $50,250) reflecting the change of business. Office and general expenses also include accounting services $31,320 (2024 - $30,000) and insurance of $12,045 (2024 - $12,022).

Finance costs for nine months ended September 30, 2025 were $23,980 (2024 - $57,735) including $21,727 (2024 - $15,713) for accrued interest on advances and $nil (2024 - $40,000) bonus payable on account of the revolving credit and $2,252 (2024 - $2,022) on the CEBA loan.

2025 Third Quarter Results

Interest earned on the deposit with Alberta Energy Regulators ("AER") for the three months ended September 30, 2025 was $4,850 (2024 - $4,712).

Exploration expenses for the three months ended September 30, 2025 of $5,297 (2024 - $2,971) mainly relates to lease renewal costs.

Office and general expenses for the three months ended September 30, 2025 were $30,950 (2024 - $53,538). Included in office and general expenses are corporate services for the three months ended September 30, 2025 of $3,113 (2024 - $21,083 which included $12,715 cost of filing the 2023 annual financials) and professional fees of $12,156 (2024 - $17,375) including accrual for audit fees $10,000 (2024 - $16,750) reflecting the change of business. Office and general expenses also include accounting services $10,330 (2024 - $10,000) and insurance of $4,015 (2024 - $4,022).

Finance costs for three months ended September 30, 2025 were $10,050 (2024 - $47,547) including $9,294 (2024 - $6,791) for accrued interest on advances and $nil (2024 - $40,000) bonus payable on account of the revolving credit and $756 (2024 - $756) on the CEBA loan.

Cash Flow

During the nine months ended September 30, 2025 the Company used cash of $73,494 in operating activities. The interest on advances $21,727 does not involve use of cash.

During the nine months ended September 30, 2025, accounts payable and accrued expenses increased by $5,638 and trade and accounts receivable decreased by $5,036 and prepayments by $12,037.

As of September 30, 2025, the Company has a loan under the CERB program from TD Canada Trust for an amount of $60,000 for a 58 month period to December 31, 2026. The loan was non-interest bearing until January 18, 2025 and bears interest of 5% per annum after that calculated monthly.

During the nine months ended September 30, 2025, the Company earned $14,250 interest on the deposit with Alberta Energy Regulators for the nine months ended September 30, 2025.

During the nine months ended September 30, 2025, the Company received $86,430 as part of a $200,000 credit facility made available by an arm's length third party to the Company.

During the nine months ended September 30, 2025, the Company had a net decrease in cash of $1,314 and had a loss from the exchange rate changes on its foreign operations of $882 leaving a cash balance of $1,567 as of September 30, 2025.

Exploration expenses

The exploration costs for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	**2024**	**2025**	**2024**
Annual lease renewal costs and taxes	$ 5,297	$ 2,971	$ 10,343	$ 20,962
Land management	-	-	5,064	10,946
	$ 5,297	$ 2,971	$ 15,407	$ 31,908

Office and general expenses

The office and general expenses for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Accounting services	$ 10,330	$ 10,000	$ 31,320	$ 30,000
Rent expense	-	600	-	1,800
Storage expense	801	-	2,265	-
Telephone expense	374	393	1,303	1,258
Professional fees and disbursements	12,156	17,375	34,156	51,844
Insurance	4,015	4,022	12,045	12,022
Corporate services	3,113	21,083	11,778	31,254
Others	161	65	730	325
	$ 30,950	$ 53,538	$ 93,597	$ 128,503

Liquidity and Capital Resources

Consolidated statements of financial position highlights	September 30, 2025	December 31, 2024
Cash	$ 1,567	$ 3,763
Oil and gas property interests	1	1
Total assets	405,496	410,421
Total liabilities	1,123,587	1,009,792
Share capital	9,475,603	9,475,603
Contributed surplus	57,529	57,529
Accumulated other comprehensive income	2,879	3,761
Deficit	(10,254,102)	(10,136,264)
Working capital deficiency	(1,060,405)	(927,435)

Currently, the Company does not generate any revenue from its exploration and evaluation assets as all wells are shut-in. Accordingly, it does not have sufficient cash flows from operations to fund past liabilities or current obligations as they become due. Although in prior years, the Company has successfully raised funds, there can be no assurance that adequate funding will be available in the future, or available on terms acceptable to the Company. The Company has a working capital deficiency of $1,060,405 as of September 30, 2025 and its cash balance is not sufficient to meet the Company's liabilities. The Company is using its line of credit and current cash and cash equivalents to fund required payments to keep the Company in good standing and to pay the expenses associated with being a reporting issuer listed on the CSE, until it can raise funds to pay its remaining creditors. There is no assurance that the Company can raise sufficient capital to continue as a going concern.

Related party transactions:

Related parties include Board of Directors, close family members, key management personnel, enterprises and others who exercise significant influence over the reporting entity. All amounts owing to related parties are unsecured, non-interest bearing and due on demand unless otherwise noted.

As of September 30, 2025 and December 31, 2024 $18,775 has been included in accounts payable for Mr. Jay Vieira for legal services and disbursements.

Key management compensation

There was no compensation of key management of the Company for the three and nine months ended September 30, 2025 and 2024. Key management are those people who have authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company

Management of capital

The Company's objectives when managing capital are as follows:

a. To safeguard the Company's ability to continue as a going concern.
b. To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties.
c. To raise sufficient capital to meet its general and administrative expenditures.

The Company considers its capital to be equity, which comprises capital stock, deficit, contributed surplus and accumulated other comprehensive income, which on September 30, 2025 was a net *deficiency of $718,091 (December 31, 2024 – $599,371).

The Company manages its capital structure and adjusts it based on general economic conditions, short term working capital requirements, and planned exploration and development. The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets' underlying assumptions as necessary. There have been no changes in the way the Company manages its capital during the year ended September 30, 2025 and 2024.

Risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions in relation to the Company's activities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant price, credit, liquidity, or cash flow risks arising from the financial instruments. There were no changes to the Company's risks, objectives, policies and procedures from the previous year.

Cash

Cash consists of bank balances and petty cash. As of September 30, 2025, the Company had cash of $1,567 (December 31, 2024 - $3,763).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Presently, the Company only interest-bearing liability is the advance. As this bears a fixed rate of interest, interest rate risk is considered low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses which may damage the Company's reputation.

The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash is always available to settle financial liabilities. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

On September 30, 2025, the Company had a cash balance of $1,567 (December 31, 2024 - $3,763) which is not sufficient to settle current liabilities of $1,063,587 (December 31, 2024 - $949,792). The Company has a working capital deficiency $1,060,405 (December 31, 2024 –$927,435). See "Going Concern" section in this MD&A.

Foreign exchange

The Company operates primarily in Canada and the United States. The presentation currency is Canadian dollar and the functional currency of the parent company is the Canadian dollar. As of September 30, 2025 and December 31, 2024, the Company's US dollar net monetary assets totaled $nil. Accordingly, a 5% change in the US dollar exchange rate as of September 30, 2025 on this amount would have resulted in an exchange gain or loss and therefore net income would have increased (decreased) by $nil.

Share Data:

Capital Stock

Common shares outstanding as of September 30, 2025 and the date of this MD&A are as follows:

	# of Common Shares	Amount
Balance, December 31, 2023	429,255,325	$ 14,953,331
Shares issued on conversion of advances	15,000,000	150,000
Shares issued on acquisition of BAM cancelled during the year	(99,554,560)	(4,977,728)
Shares issued on private placement cancelled during the year	(2,166,667)	(650,000)
Balance, September 30, 2025 and date of the MD&A	**342,534,098**	**$ 9,475,603**

During the year ended December 31, 2024, the Company cancelled 99,554,560 common shares of the Company that were issued pursuant to the acquisition of BAM, and this has been adjusted against opening reserves in the consolidated statements of changes in equity (deficiency) for the year ended December 31, 2024. (See Note 2 to the interim unaudited condensed consolidated financial statements as of September 30, 2025). During the year ended December 31, 2024, the Company also cancelled 2,166,667 common shares that were issued to the subscribers in respect to the unsuccessful private placement and this has been adjusted against opening reserves in the audited consolidated statements of changes in equity (deficiency) for the year ended December 31, 2024. (See Note 2 to the interim unaudited condensed consolidated financial statements as of September 30, 2025).

During the year ended December 31, 2024, $150,000 of the advance relating to the $200,000 credit facility extended by an arm's length third party were converted into 15,000,000 common stocks of the Company at $0.01 per share.

Common Stock Purchase Warrants

	# of Warrants		Amount	Average Exercise Price	Expiry Date	Remaining Contractual Life (years)
Balance, December 31, 2023	**12,766,667**		**57,529**	**-**	**-**	**-**
Warrants expired, unexercised	(10,600,000)	$	(57,529)	-	-	-
Warrants issued on private placement cancelled during the year	(2,166,667)	$	-	-	-	-
Balance, September 30, 2025 and date of MB&A	**-**	$	-	-	-	-

On September 27, 2024, 10,600,000 warrants issued on September 27, 2022, expired unexercised and have been transferred to contributed surplus.

During the year ended December 31, 2024, the Company cancelled 2,166,667 warrants that were issued to the subscribers in respect to the unsuccessful private placement. (See Note 2 to the interim unaudited condensed consolidated financial statements as of September 30, 2025).

Segmented Information

The Company's reportable segments are strategic business units that offer different services and/or products. They are managed separately because each segment requires different strategies and involves different aspects of management expertise. The Company has decided to disclose the segment results of the oil and gas companies and corporate operations - MEI, PPI, PPC and APPC are the oil & gas companies

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company carries out its operations through wholly-owned entities. These entities are located in Canada and the United States.

For nine months ended September 30, 2025

	Oil and Gas Operations	Corporate Operations	Total
Interest income	14,250	-	14,250
Total revenue	$ 14,250	$ -	$ 14,250
Expenses			
Exploration expenses	(15,407)	-	(15,407)
Office and general	-	(93,597)	(93,597)
Total expenses	$ (15,407)	$ (93,597)	$ (109,004)
Loss before undernoted	(1,157)	(93,597)	(94,754)
Finance costs	-	(23,980)	(23,980)
Gain (loss) on foreign exchange	2,165	(1,269)	896
Total income (loss) for the period	**$ 1,008**	**$ (118,846)**	**$ (117,838)**
Other comprehensive income for the period			
Exchange differences on translation of foreign operations	(882)	-	(882)
Total comprehensive income (loss) for the period	**$ 126**	**$ (118,846)**	**$ (118,720)**
As at September 30, 2025			
Total assets	$ 402,378	$ 3,118	$ 405,496

For nine months ended September 30, 2024

	Oil and Gas Operations	Corporate Operations	Total
Interest income	14,542	-	14,542
Total revenue	$ 14,542	$ -	$ 14,542
Expenses			
Exploration expenses	(31,908)	-	(31,908)
Office and general	-	(128,503)	(128,503)
Total expenses	$ (31,908)	$ (128,503)	$ (160,411)
Loss before undernoted	(17,366)	(128,503)	(145,869)
Finance costs	-	(57,735)	(57,735)
Gain (loss) on foreign exchange	(2,330)	1,250	(639)
Total loss for the period	**$ (19,696)**	**$ (184,988)**	**$ (204,243)**
Other comprehensive gain for the period			
Exchange differences on translation of foreign operations	631	-	631
Total comprehensive loss for the period	**$ (19,065)**	**$ (184,988)**	**$ (203,612)**
As at September 30, 2024			
Total assets	$ 389,058	$ 3,287	$ 392,345

For three months ended September 30, 2025

		Oil and Gas Operations		Corporate Operations		Total
Interest income	$	4,850	$	-	$	4,850
Total revenue		4,850		-		4,850
Expenses						
Exploration expenses		(5,297)		-		(5,297)
Office and general		-		(30,950)		(30,950)
Total expenses	$	(5,297)	$	(30,950)	$	(36,247)
Loss before undernoted		(447)		(30,950)		(31,397)
Finance costs		-		(10,050)		(10,050)
Gain (loss) on foreign exchange		(1,295)		753		(542)
Total loss for the period		**(1,742)**		**(40,247)**		**(41,989)**
Other comprehensive income for the period						
Exchange differences on translation of foreign operations		533		-		533
Total comprehensive loss for the period	**$**	**(1,209)**	**$**	**(40,247)**	**$**	**(41,456)**
As at September 30, 2025						
Total assets		402,378		3,118		405,496

For three months ended September 30, 2024

		Oil and Gas Operations		Corporate Operations		Total
Interest income	$	4,973	$	-	$	4,712
Total revenue		4,973		-		4,712
Expenses						
Exploration expenses		(2,971)		-		(2,971)
Office and general		-		(53,538)		(53,538)
Total expenses	$	(2,971)	$	(53,538)	$	(56,509)
Income (loss) before undernoted		2,002		(53,538)		(51,797)
Finance costs		-		(47,547)		(47,547)
Gain (loss) on foreign exchange		(1,268)		945		441
Net income (loss) for the period		734		(100,140)		(98,903)
Other comprehensive income for the period						
Exchange differences on translation of foreign operations		(436)		-		(436)
Total comprehensive income (loss) for the period	**$**	**298**	**$**	**(100,140)**	**$**	**(99,339)**
As at September 30, 2024						
Total assets	$	389,058	$	3,287	$	392,345

Critical accounting estimates

The preparation of the interim unaudited consolidated statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim unaudited consolidated statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. The information about significant areas of estimation uncertainty and judgment considered by management the annual financial statements as at and for the year ended December 31, 2024.

Changes in Accounting Policies

These interim condensed unaudited consolidated statements follow the same accounting policies and methods of computation as those described in Note 4 of the annual consolidated financial statements as at and for the year ended December 31, 2024.

Future accounting pronouncements

There are currently no new accounting pronouncements effective for future dates that are expected to have a significant impact on the Company

Investor relations:

The Company's management performed its own investor relations duty for the year ended September 30, 2025.

Additional information:

Additional information relating to Blue Horizon may be found under the Company's profile on SEDAR at www.sedar.com.