MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED FEBRUARY 29, 2016

(Stated in Canadian Dollars)

Dated August 19, 2016

The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected EnerGulf Resources Inc. ("EnerGulf" or the "Company") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended February 29, 2016, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all currency amounts are in Canadian dollars. This MD&A is dated August 19, 2016.

Forward looking information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption "*Caution regarding forward looking statements*" later in this document. The reader is cautioned not to place undue reliance on forward looking statements.

Profile and strategy

EnerGulf Resources Inc. is a publicly traded international oil and gas exploration company focused on maximizing shareholder value by targeting high impact opportunities in the world's most prospective hydrocarbon regions. EnerGulf has interests in oil and gas exploration projects in the Gulf of Mexico, the Republic of Namibia and Albania. The Company also has Chromite interests in Albania and holds two mineral operations licenses and a mineral exploration licence. EnerGulf is also currently re-negotiating the terms of its non-current oil and gas block contract in the Democratic Republic of Congo

The Company currently derives no revenues from its oil and gas or chromite interests. Revenues, if any, are dependent on the successful completion and placing into production of the Company's oil and gas and chromite properties.

The Company is a reporting issuer in British Columbia and Ontario and trades on the TSX Venture Exchange (the "TSXV") under the symbol "ENG" and on the Frankfurt Exchange under the symbol "EKS".

Discussion of operations

The Company is an oil and gas development entity, focused on the selection, acquisition, and exploration of hydrocarbon properties. EnerGulf maintains an interest in acquiring additional key hydrocarbon properties worldwide. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any oil and gas discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of oil and gas and the availability of equity financing for the purposes of exploration and development. There has been a dramatic decline in the price of oil over recent months and there is no indication of how long prices will remain depressed. The future performance of the Company is largely tied to the development of its property interests and other prospective business opportunities as well as the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Uncertainty in the financial markets has also led to increased difficulties in borrowing and raising funds. Companies worldwide have been affected negatively by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of oil and gas exploration and development, particularly without excessively diluting the interests of existing shareholders. These trends may limit the ability of the Company to develop and/or further explore its current oil and gas exploration properties and any other property interests that may be acquired in the future.

In addition to the risks outlined in this MD&A, EnerGulf has identified the extreme volatility occurring in the financial markets recently as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like EnerGulf are considered risky assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for EnerGulf to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

<u>Gulf of Mexico</u>

EnerGulf entered into a letter of intent ("LOI") with Texas South Energy, Inc. (OTCBB: TXSO) ("TexSo") (see News Release dated June 9, 2016) to participate in six offshore Gulf of Mexico prospects owned and operated by GulfSlope Energy Inc. ("GulfSlope") (OTCBB: GSPE). Subject to the execution of definitive agreements and the Company's financial obligations therein, the LOI provides for participation by the Company in drilling one well on Block 378, Vermilion Area, South Addition ("Canoe Prospect") and a second well on either the Canoe Prospect or Block 375, Vermilion Area, South Addition ("Selectron Shallow Prospect"). The Company has made a US$200,000 payment for its interest in the Canoe Prospect and paid an additional US$200,000 for its interest in the Selectron Shallow Prospect. At this point the Company has earned the right to a 19.5% non-operated working interest in each of the Canoe and the Selectron Shallow prospects in the Gulf of Mexico and will have certain cost interest obligations in the Canoe and Selectron Shallow Prospects. The Company elected not to make a $400,000 payment to earn participation in the deep prospects (Alpha, Beta, Baryon, and Proton) and additional interests in the Canoe and Selectron Shallow prospects at this time. The Company is renegotiating the terms of such participation at this time.

As additional consideration, EnerGulf has agreed to issue to TexSo a warrant to purchase up to 7,000,000 common shares of EnerGulf exercisable for a three year term at a price of CDN$0.06 per share. The issuance of the proposed bonus warrants and the proposed acquisition of the Canoe and Selectron Shallow Prospects remains subject to acceptance by the Exchange.

The Company entered into a US$200,000 bridge loan with a fund controlled by a Company director, to make the payment for the Selectron Shallow Prospect. The Company has agreed to pay a US$20,000 commitment fee on maturity and, in addition, to issue to the lenders, as a bonus for making the Loan, warrants exercisable to purchase up to 3,000,000 shares of the Company for $0.05 each until the first anniversary of the date of the Loan advance. The Loan Agreement also provides that if the Exchange does not accept the TexSo Agreement for filing by October 25, 2016, or if the Borrower's filing in respect of the TexSo letter agreement is withdrawn or abandoned by the Company or deemed to be withdrawn by the Exchange at any time prior to October 25, 2016, then in lieu of repayment of the principal amount of the Loan and payment of the commitment fee, the Borrower will assign to the Lender, at the deemed price of US$220,000, all of the Borrower's rights relating to the Selectron Shallow Prospect under the TexSo LOI.

Republic of Namibia – Block 1711

Petroleum agreement overview

On June 7, 2013, EnerGulf was granted a 15% working interest under a new Petroleum Agreement (the "New PA") approved by the Government of the Republic of Namibia for Block 1711, offshore Namibia. The parties to the New PA are the Government of the Republic of Namibia, Gazania 148 Investments (Pty) Ltd ("Gazania") and EnerGulf Namibia Ltd. ("EnerGulf Namibia"). The initial Operator is Shaanxi Yuyang Petroleum Technology Engineering Co. Ltd. Gazania will own a 75% working interest, EnerGulf Namibia will own a 15% working interest and NAMCOR, the National Oil Company of Namibia, ("NAMCOR") will own a 10% carried interest to production. The agreement is subject to a government royalty of 5%. The New PA replaces in its entirety the 2006 Petroleum Agreement. The New PA and related Exploration License have an initial term of four years commencing June 7, 2013 with US$40,000,000 minimum expenditure and may be renewed by the Government twice for additional two year periods each with a required US$40,000,000 minimum expenditure. Gazania has provided the Government with the guarantees required to cause the Petroleum Exploration License to be issued, a $4,000,000 Bank guarantee (equal to 10% of the first period exploration requirement) and a guarantee of performance of the party's obligations.

On May 20, 2014, Gazania and EnerGulf Namibia entered into a Strategic Exploration Agreement ("SEA"), under which Gazania will carry the Company for all value add costs ("Value Add Costs"), including costs to acquire and process 3D seismic and if necessary or appropriate, reacquire 3D seismic data, as approved by the Technical Advisory Committee ("TAC") and Minister of Mines and Energy ("Minister"), to acquire and process all other exploration data (excludes exploration well) required under the Petroleum Agreement as approved by the TAC and the Minister, to develop two independent geological and geophysical constructs for Block 1711, and to engage qualified professionals to prepare reports, maps and presentations for Block 1711 in accordance with good oilfield practices and international oil and gas industry standards. In addition, Gazania will carry the Company for all NAMCOR costs allocable to EnerGulf Namibia under the New PA. As part of the SEA, any costs incurred until a consensus drill site has been approved by the TAC, will be borne by Gazania, after which additional exploration costs will be borne by the Company up to its working interest under the New PA. All costs incurred to the identification of the approved drill site would contribute towards the $40,000,000 initial work program. Management's expectation is to commence joint marketing efforts during the consensus drill site development process.

A Joint Operating Agreement ("JOA") has been negotiated by Gazania and EnerGulf Namibia, to which NAMCOR is also a party. The JOA will further define their respective rights and obligations relating to exploration of Block 1711 and, if warranted, production and will address such matters as operator responsibilities, operational procedures and priorities, payment obligations and differences between payment obligations and participating interests, accounting procedures, cost recovery for the carried NAMCOR interest, transfers of interests, and removal and replacement of the operator.

Certain annual commitments are required under the New PA, in order for the agreement to continue in good standing. As Gazania is responsible for the maintenance of these commitments, the Company is reliant on them for the continued good standing of the property. To date, the Minister has not indicated or communicated to the Company any default on the part of Gazania to this effect.

As at February 29, 2016, the Company had incurred total expenditures of $12,598,556 (February 28, 2015 - $12,586,268) on this project.

Geological overview

EnerGulf participated in the drilling of the Kunene No. 1 on the block, in 2008, to a total depth of 5,050m. The well encountered Hydrocarbon shows (C1-C5 in two zones), which indicates a proven working petroleum system for the block.

The northern half of the block has 3D seismic coverage and the entire block has 2D seismic coverage.

The Company completed an updated analysis for Block 1711 in 2011, which was presented to the Operating Committee, Technical Advisory Committee, Ministry of Mines and Energy, and Non-Operators. The exploration studies revealed multiple prospects and leads supported by amplitude anomalies and other hydrocarbon indicators. The Block 1711 prospect portfolio includes a Tertiary Turbidite play, Syn-Rift play, both of which have giant field analogs in Angola and Brazil, and a Basement play. Fossil evidence from the Kunene No. 1 well points to the potential for multiple Tertiary-age turbidite sandstone prospects. Turbidite sandstone reservoirs are common and prolific in West Africa, Brazil and Deepwater Gulf of Mexico. Regionally, turbidite sandstone reservoirs account for more than 20 billion barrels of producible reserves in Angola (Blocks 14, 15, 17 18 offshore Luanda), Nigeria (Agbami, Akpo and Bongo), Equatorial Guinea (Zafiro and Alba) and the Campos Basin of Brazil (Marlim and Albacora). The Company's extensive study also provided significant new information concerning the hydrocarbon potential of the Syn-Rift play, including possible seismic evidence of salt on Block 1711. The Syn-Rift rocks in Block 1711 are stratigraphically similar to the Pre-Salt rocks of the Santos Basin of Brazil (Lula, Guara and Lara) and in the Upper Congo Basin (Malongo and M'boundi Fields – also near EnerGulf Africa's Lotshi Block). These plays currently contain more than 15 billion barrels of producible reserves, and are still developing. The Company geologists have also developed several large prospects in a third play on Block 1711. They believe that this play has not been tested in the area and involves large "basement" horst blocks that form extensive ridges. These horst blocks are adjacent to the syn-rift half-grabens, but are believed to be comprised of older, pre-rift rocks. There is evidence of Karoo-age clastic rocks with excellent reservoir potential onshore near the eastern margin of Block 1711, and the Company geologists suggest that these extensive ridges are comprised of pre-rift Karoo-age rocks. Some geologists might consider this play to be part of the syn-rift or pre-salt play, but the Company has chosen to consider this as a separate play because of the uncertainty concerning the age of the potential reservoir rocks.

Gross prospective oil resources evaluation

In February 2012, the Company received a prospective oil resources report for four prospects and nine leads on Block 1711, including a mean estimate of 3.166 billion barrels of potentially recoverable oil. The report was prepared by independent oil and natural gas reservoir engineers Netherland Sewell and Associates, Inc. ("NSAI") of Dallas, Texas. NSAI estimates the unrisked gross (100 percent) prospective oil resources for the prospects and leads as of December 31, 2011, to be:

	Gross (100%) Unrisked Prospective Oil Resources (MMbbl)			
	Low estimate	**Best estimate**	**High estimate**	**Mean estimate**
Total	742	2,749	6,108	3,166

To view the NSAI report in its entirety as reported on February 23, 2012, visit www.sedar.com or www.energulf.com *(As per NI 51-101 section 5.9, There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.)*

Democratic Republic of Congo – Lotshi Block

On November 16, 2005, EnerGulf Africa Ltd. ("EnerGulf Africa") was granted a Contrat De Partage De Production ("Production Sharing Contract" or "PSC") by the DRC, for the Lotshi Block, containing 507 square kilometers, lying approximately 33 kilometers from the west coast of the DRC. The PSC grants EnerGulf a 90% working interest and COHYDRO, the National Oil Company of the DRC, ("COHYDRO") a 10% carried working interest. The Company incorporated EnerGulf Congo SARL ("EnerGulf Congo") to act as the Operator. The PSC was ratified and approved by Presidential Decree on March 12, 2008. The Ministry of Hydrocarbons issued a Permis d' Exploration (Exploration Permit) for the Lotshi Block on October 31, 2009. EnerGulf Africa and COHYDRO entered into a Contrat D' Association (Joint Operating Agreement) for the Lotshi Block on February 5, 2009. The PSC and Exploration License were made effective as of October 31, 2009 (date of the Exploration License) by Memorandum Agreement dated October 25, 2010. The PSC and related Exploration Permit have an initial term of five years commencing October 31, 2009 and may be renewed by the Government twice for additional five year periods.

The PSC expired on November 1, 2014. On April 3, 2015, the Company received a letter from the Director of the Cabinet of the Prime Minister of the DRC, whereby extending the Exploration Permit for a period of ten months which expired in February 2016. The Company is in discussions to negotiate a further extension to the PSC.

The Company has performed 200 km of high grade seismic operations, and processed 400 km of seismic and developed 7 promising prospects on the block. The Company procured a DeGolyer McNaughton Resource Report indicating over 300,000,000 BBLS recoverable on the Block. The Company also has constructed a health clinc and school for the Lotshi community as required by the PSC.

Due to the lapse of the contract on the Lotshi Block in the DRC in February 2016 and the suspension of operational activities the assets related to the DRC operation have been considered fully impaired recording a loss of $178,754.

Albanian Hydrocarbon License

On September 29, 2015, through the acquisition of Columbus Copper, the Company acquired the rights to a pending onshore hydrocarbon license under Block 8, Republic of Albania that was granted on April 19, 2016.

Production Sharing Contract Overview

On July 15, 2015, the Ministry of Energy and Industry of Albania ("Albania") and Albanides Energy SHPK ("Albanides"), entered into a Production Sharing Contract ("ROA PSC") for Block 8, Republic of Albania, covering approximately 3,200 square kilometers. Albanides is a wholly owned subsidiary of EnerGulf. The ROA PSC First Exploration Period term is three years, with a Minimum Work Program consisting of Geological and Geophysical work, a gravity survey, and Health Safety and Environmental studies, and a total minimum expenditure of US$1,400,000. The ROA PSC Second Exploration Period is two years, with a Minimum Work Program consisting of Geological and Geophysical work, and 2D seismic acquisition (150 km), and a total minimum expenditure of US$1,800,000. The ROA PSC Third Exploration Period is two years, with a Minimum Work Program consisting of Geological and Geophysical and an Exploration Well to a depth of 2,000 meters, and a total minimum expenditure of US$2,100,000. Each subsequent Exploration Period is dependent upon performance in the preceding Exploration Period. In the event the Minimum Work Program costs less than the total minimum expenditure for the Exploration Period, Albanides must pay Albania the difference of the actual expenditures and the total minimum expenditures. Field discoveries are granted development and production periods of twenty years, with five years extension options. The royalty tax is 10%. Profit Petroleum (Oil – 0% – 3% or Gas – 0% – 7.5%) is shared on a sliding scale based upon cost recovery. Realized Profit to the Contractor is taxed at 50%. The ROA PSC contains customary provisions for training and administration, local hiring, customs exemptions, export rights, environmental protection, bonus payments, notices, definitions and other matters.

Geological Overview

Northern Albania consists of a complex nappe stack with a polyphase tectonic history. Two models exist to explain the origin of the different units.

Model A sees the Mirdita ophiolites as remnant of an autochthonous ocean (Pindos-Mirdita Ocean) flanked by two passive margins formed during Late Triassic to Middle Jurassic. The western margin corresponds according to this model to the External Albanides and the eastern margin corresponds to the Internal Albanides (Korabi-Pelagonia). This ocean should start to close since Middle Jurassic by remained open until the late Palaeogene/early Neogene. During that time, the ocean finally was closed and flysch basins were formed since the Palaeogene. Therefore, the nappe stack is west directed in the External Zones and east directed in the Internal zones, were the ophiolites were thrust over Korabi-Pelagonia in eastward directions.

Model B sees the ophiolites as far-travelled nappes coming from the east. Therefore, the ophiolites came from the Neotethys Ocean, which starts to form in the Middle Triassic and thrust over the Korabi-Pelagonian Zone in Middle to Late Jurassic times. All Triassic to Middle Jurassic sequences are seen as one passive continental margin facing the Neotethys Ocean to the east. During westward thrusting of the ophiolites (obduction) the Triassic-Jurassic sedimentary sequences form – in plate tectonic view – the lower plate and a west-vergent fold-and-thrust-belt was built with deep-water, partly restricted basins in front of the propagating thrust belt. Latest Jurassic to Cretaceous sediments were deposited as neoautochthonous cover on top of the Jurassic nappe stack. Ongoing tectonic movements (e.g. uplift and extension of the nappe pile with west directed normal faults) in Cretaceous times and final closure of the Neotethys Ocean (Vardar) in the east forms in Palaeogene to Neogene times the actual nappe stack. These youngest mountain building processes led to west directed thrusting with formation of foreland basins in the External Albanides and east directed backthrusting in the Internal Albanides, again with formation of new foreland basins.

Albanian Chromite Licences

On September 29, 2015, the Company acquired an exploration license and two operations license in the Republic of Albania, through the acquisition of Columbus Copper. The operations licenses are referred to as the Bulqiza, and the Qafe Burreli and the exploration licence covers a portion of the Bulqiza. The licenses cover approximately 6.8 km^2 of the chromite-bearing, Bulqiza ultramafic massif in eastern Albania. Columbus Copper was originally awarded these licenses on January 29, 2009.

On December 22, 2010, Columbus Copper completed a 3% royalty and share sale with the Anglo-Pacific Group ("APG"). In connection with the royalty sale, Columbus Copper executed a security agreement and has pledged to APG the securities of its 100% owned BVI subsidiary, Empire International Mining Corporation, and its 100% owned Albanian subsidiary, Empire Mining (Albania) SHPK.

The Company is evaluating all possibilities regarding the Chromite Licenses in the Republic of Albania including joint ventures, small scale mining operations as well as a sale of the asset. The Company will review all assets and may liquidate some assets which are inconsistent with the capital position of the Company in order to raise equity funds to maximize the value in the remaining assets.

Exploration and evaluation expenses incurred on the Company's properties for the year ended February 29, 2016 and 2015 are as follows:

	Namibia	Democratic Republic of Congo	Albanian Hydro Carbon Licenses	Total
Expenditures to date, March 1, 2014	12,543,220	9,847,205	-	22,390,425
Acquisition	-	343,971	-	343,971
General and administration	32,919	42,281	-	75,200
Geological	-	65,290	-	65,290
Expenditures to date, February 28, 2015	12,586,268	10,330,988	-	22,917,256
Acquisition	-	-	254,275	254,275
General and administration	12,288	69,049	-	81,337
Expenditures to date, February 29, 2016	**12,598,556**	**10,400,037**	**254,275**	**23,252,868**

Overall performance

The following highlight's the Company's overall performance for the year ended February 29, 2016:

- Net loss of $1,392,959 for the year ended February 29, 2016, compared to $1,827,188 for the prior year;
- Cash balance of $19,284 at February 29, 2016, compared to $107,976 at February 28, 2015;
- Working capital deficiency of $1,499,042 at February 29, 2016, compared $623,978 at February 28, 2015.

On September 29, 2015, the Company completed the acquisition of Columbus Copper Corporation ("Columbus Copper") by way of a plan of arrangement. Pursuant to the plan of arrangement, each outstanding common share of Columbus Copper was exchanged for 0.4937 of an EnerGulf common share. A total of 9,200,000 common shares were issued.

Selected annual financial information

The following is selected financial data derived from the audited consolidated financial statements of the Company at February 29, 2016, February 28, 2015 and February 28, 2014.

	Year ended February 29, 2016 ($)	Year ended February 28, 2015 ($)	Year ended February 28, 2014 ($)
Total revenues	Nil	Nil	Nil
Total loss	1,392,959	1,827,188	2,476,792
Net loss per share – basic and diluted	0.02	0.02	0.03

	Year ended February 29, 2016 ($)	Year ended February 28, 2015 ($)	Year ended February 28, 2014 ($)
Total assets	42,523	496,556	1,309,713
Total non-current financial liabilities	Nil	Nil	Nil
Distribution or cash dividends	Nil	Nil	Nil

Results of operations

<u>Year ended February 29, 2016, compared with year ended February 28, 2015</u>

The Company's net loss for the year ended February 29, 2016 was $1,392,959 ($0.02 per share), compared to $1,827,188 ($0.02 per share) for 2015. Total operating expenses for the 2016 fiscal period were $1,253,007 compared to $1,777,962 for 2015. Significant variations are described below.

Share-based payments expenses included in loss are a non-cash accounting entry and include all share-based awards such as stock options granted to employees, non-employees, directors, officers, employees and consultants. The awards are measured and recognized using a fair value based method in accordance with the IFRS 2. The value of share-based payments this year totaled $15,029, compared to $356,929 during the prior year period. These compensation expenses were calculated using the Black-Scholes fair value option pricing model.

Impairment of assets amounted to $178,754 (2015 - $nil). Due to the lapse of the contract on the Lotshi Block in the DRC in February 2016 and the suspension of operational activities, the assets related to the DRC operation have been fully impaired.

Gain on write off of account payable amounted to $22,500 (2015 - $nil). During the year ended February 29, 2015, the Company wrote off the unclaimed payable.

Exploration and evaluation expenses amounted to $335,612 (2015 - $526,831), a decrease of $191,219. General exploration expense for the current year is primarily a result of the acquisition of Columbus Copper, whereas the prior year amount reflects the level of general exploration activity conducted by the Company.

Travel expenses consist of transportation, lodging, and meals of directors, officers and consultants. Travel costs were $28,351 this year, compared to $84,154 during the prior year period, a decrease of $55,803 due to limited travel required on the various projects.

Professional fees during the current year totalled $141,136, compared to $91,608. The increase of $49,528 is primarily attributable to legal fees associated with the acquisition of Columbus Copper.

Office and administration expenses are costs related to operating and administering the company offices and corporate finance activities. Office and administration expenses amounted to $292,519 this year, compared to $323,906 during the prior year period. The decrease of $31,387 in the current year is primarily attributable to the Company's cost savings measures.

Insurance costs were $31,404 (2015 - $55,338), a decrease of $23,934 primarily attributable to the Company's cost savings measures.

Transfer and regulatory fees consist of fees paid to government, transfer agent, TSX Venture exchange and other regulators. Transfer and regulatory fees amounted to $50,890 (2015 - $32,353), an increase of $18,537 regulatory fees associated with Columbus Copper.

Management fees include the compensation costs of the Company's officers. Management fees amounted to $203,413 this quarter (2015 - $193,417), an increase of $9,996.

Salary and benefits are compensation costs of the employees in DRC. Salary expenses were $108,148 (2015 - $107,777).

Three months ended February 29, 2016, compared with three months ended February 28, 2015

The Company's loss for the three months ended February 29, 2016 was $608,332 ($0.00 per share), compared to a loss of $301,260 ($0.00 per share) for 2015. Total operating expenses for the 2016 fiscal period were $483,802 compared to $270,032 for 2015. Significant variations are described below.

Share-based payments expenses included in loss are a non-cash accounting entry and include all share-based awards such as stock options granted to employees, non-employees, directors, officers, employees and consultants. The awards are measured and recognized using a fair value based method in accordance with the IFRS 2. The value of share-based payments totaled $1 (2015 - $20,334). These compensation expenses were calculated using the Black-Scholes fair value option pricing model.

Impairment of assets amounted to $178,754 (2015 - $nil). Due to the lapse of the contract on the Lotshi Block in the DRC in February 2016 and the suspension of operational activities, the assets related to the DRC operation are considered fully impaired.

Exploration and evaluation expenses amounted to $106,830 (2015 - $42,370), an increase of $64,460 related to acquisition of Columbus Copper.

Management fees include the compensation costs of the Company's officers. Management fees amounted to $104,645 (2015 - $48,054), an increase of $56,591 from the comparative period related to severance pay to employee in DRC upon closing of office in September 2015.

Office and administration expenses are costs related to operating and administering the company offices and corporate finance activities. Office and administration expenses were $136,152 (2015 - $85,795), an increase of $50,357 from the comparative period related to forfeiting the rental deposit in DRC in September 2015.

Salary and benefits are compensation costs of the employees in DRC. Salary expenses were $59,152 (2015 - $27,840) an increase of $31,312 related to severance pay to employee in DRC upon closing of office in September 2015.

Gain on write off of account payable amounted to $22,500 (2015 - $nil). During the year ended February 29, 2015, the Company wrote off the unclaimed payable.

Travel expenses consist of transportation, lodging, and meals of directors, officers and consultants. Travel costs were $21,829 (2015 - $9,336), an increase of $12,493 related to meeting with DRC government official.

Professional fees consist of legal and accounting fees. Professional fees amounted to $20,459 (2015 - $12,162), an increase of $8,297 from the comparative period, mainly associated with the acquisition of Columbus Copper.

Transfer and regulatory fees consist of fees paid to government, transfer agent, TSX Venture exchange and other regulators. Transfer and regulatory fees amounted to $13,708 (2015 - $8,638), a slight increase of $5,070.

Insurance costs were $9,519 (2015 - $14,174), a decrease of $4,655 from the comparative period.

Summary of Quarterly results

Quarter ended	Revenues	Loss (Income) for the year	Loss (Income) per share - basic	Total assets	Total long term liabilities	Cash dividend declared
February 29, 2016	Nil	$ 608,333	$ 0.01	$ 42,523	Nil	Nil
November 30, 2015	Nil	413,013	0.00	465,764	Nil	Nil
August 31, 2015	Nil	162,094	0.00	368,727	Nil	Nil
May 31, 2015	Nil	209,519	0.00	416,149	Nil	Nil
February 28, 2015	Nil	301,260	0.00	496,556	Nil	Nil
November 30, 2014	Nil	530,978	0.01	475,668	Nil	Nil
August 31, 2014	Nil	324,469	0.01	560,056	Nil	Nil
May 31, 2014	Nil	$ 670,481	$ 0.01	$ 852,176	Nil	Nil

Quarterly statement of operations

Statement of operations data	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
Exploration and evaluation expenses	$ 106,830	$ 186,264	$ 30,160	$ 12,358
Share-based payments	1	Nil	Nil	15,028
General & administrative expenses	376,972	195,299	127,491	202,605
Write off of account payable	(22,500)	-	-	-
Impairment of assets	178,754	-	-	-
Foreign exchange (gain) loss	(31,850)	30,808	3,186	(20,472)
Finance (income) expense	126	642	1,257	Nil
Loss (income) for the period	$ 608,333	$ 413,013	$ 162,094	$ 209,519

Statement of operations data	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
Exploration and evaluation expenses	$ 42,370	$ 255,998	$ 36,679	$ 191,784
Share-based payments	20,334	62,367	100,888	173,340
General & administrative expenses	207,328	196,821	176,872	313,181
Foreign exchange (gain) loss	31,360	16,123	9,089	(5,547)
Finance (income) expense	(132)	(331)	941	(2,277)
Loss (income) for the period	$ 301,206	$ 530,978	$ 324,469	$ 670,481

Over the past eight quarters, the Company has worked primarily to advance its projects in Namibia and DRC and complete acquisition of Columbus Copper. During the three months ended February 29, 2016 the Company incurred a foreign exchange gain of $31,850 compared to a loss of $31,360 in 2015. The level of the Company's operating expenses relates to the activity to support the due diligence, acquisition and exploration and development undertaken on the Company's projects and financing activities. These expenses can vary significantly between periods and consequently seasonal and observable trends may not be meaningful. Share-based payments vary from quarter to quarter due to the number of options granted and/or vested during the period. Management anticipates that the Company will continue to incur losses until one of its projects achieves economic production.

Liquidity and capital resources

As at February 29, 2016, the Company had cash and cash equivalents of $19,284 (February 28, 2015 - $107,976) and marketable securities of $nil (February 28, 2015 – $6,154).

During the year ended February 29, 2016, the Company expended cash of $311,824, (2015 – $1,211,099) on operating activities. Cash used in operations consist of cash used to fund the loss for the period less the impact of non-cash items, and the cash used for working capital purposes.

During the year ended February 29, 2016, the Company received $nil (2015 - $410,778) from financing activities. During the year ended February 28, 2015, the Company completed a private placement of 2,853,164 units at a price of $0.15 per unit for gross proceeds of $427,975. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of 18 months from the date of issuance, at a price of $0.25 per share. The exercise of the warrants may be subject at the option of the Company to acceleration in the event the trading price of the shares of the Company closes at or above $0.50 per share for 30 consecutive trading days during the term of the warrants. In connection with the private placement, the Company paid or accrued $17,197 for legal and filing fees and issued 131,570 common shares as a finder's fee with a fair value of $18,420.

During the year ended February 29, 2016, the Company had cash inflows of $206,116 from the acquisition of Columbus Copper. The Company has net allocation of $nil (2015 –$29,466) from *Restricted cash,* for social and community spending in DRC in accordance with the PSC. The Company received $6,154 (2015 - spent $745 for purchasing) from sale of marketable securities. The impact on cash due to the change in the US dollar to the Canadian dollar was an increase of $10,862 (2015 – $1,717).

The Company has a working capital deficit of $1,499,042 at February 29, 2016 (February 28, 2015 – $623,978) and a deficit of $45,245,228 (February 28, 2015 - $47,153,061).

The Company was subject to a Cease Trade Order (CTO) on July 6, 2016 due to late filing of the annual audited financial statements. Management is working to complete an equity financing once the order is lifted to fund the company's ongoing operations.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related party transactions

The following related party transactions were in the normal course of operations and are measured at their exchange amounts being the amount of consideration as agreed to between the parties.

(a) Transactions with key management personnel

	Year ended February 29, 2016	Year ended February 28, 2015
Management fees	$ 95,418	$ 94,132
Share-based payment	4,498	162,580
Total remuneration	$ 99,916	$ 256,712

Payments to key management personnel, including the President, Chief Financial Officer, executive directors and companies directly controlled by key management personnel are for management fees and are directly related to their position in the organization.

For the year ended February 29, 2016, the Company expensed $86,217 (year ended February 28, 2015 - $76,132) to John D. Elmore for his services to act as President of the Company and these amounts were included in management fees. As at February 29, 2016, John D. Elmore was owed $130,702 (February 28, 2015 - $34,397).

For the year ended February 29, 2016, the Company expensed $9,202 (year ended February 28, 2015 - $18,000) to Marrelli Services Limited ("Marrelli") for the services of Jonathan Chu to act as CFO of the Company. Jonathan Chu was appointed as CFO and Secretary of the Company on March 1, 2014 and resigned effective September 1, 2015.

(b) Other Related Party Transactions

	Year ended February 29, 2016	Year ended February 28, 2015
Consulting fees	$ 6,000	$ 6,000

Accounting fees	21,864	37,905
Corporate secretarial and filing services	$ 12,041	$ 16,811

For the year ended February 29, 2016, the Company accrued $6,000 (year ended February 28, 2015 - $6,000) to Resource Finance for the services of a director to act as consultant to the Company and this amount was included in consulting fees. As at February 29, 2016, Resource Finance was owed $261,704 (February 28, 2015 - $261,312). There are no specific terms of repayment for the amount outstanding.

For the year ended February 29, 2016, the Company expensed $21,864 (year ended February 28, 2015 - $37,905) to Marrelli for accounting services and these amounts were included in professional fees. On October 8, 2015, the Company entered into a promissory note agreement with Marrelli under which, the Company shall repay on demand, $20,912, in exchange for settling outstanding accounts payable to Marrelli (see note 8).

For the year ended February 29, 2016, the Company expensed $12,041 (year ended February 28, 2015 - $16,811) to DSA for corporate secretarial and filing services and these amounts were included in consulting and transfer and regulatory fees. As at February 29, 2016, DSA was owed $nil (February 28, 2015 - $4,709). DSA is affiliated with Marrelli Support through a common officer.

The following balances remain payable as at each reporting date:

	February 29, 2016	February 28, 2015
John D. Elmore – Former Director/President	$ 13,083	$ 34,397
Jeff Greenblum - Director	19,524	7,535
Resource Finance Ltd. - Company controlled by Jeff Greenblum	261,704	261,312
Peter Gianulis - Director	10,642	Nil
Clive Brookes - Director/CFO	317	Nil
Sunrise Communication Ltd. – Company controlled by Clive Brookes	44,200	Nil
Marrelli* - Company associated with former CFO	Nil	15,389
DSA – Company associated with former CFO	Nil	4,709
	$ 467,470	**$ 323,342**

* On October 8, 2015, Marrelli debt was settled with promissory note.

The Company entered into a Consulting Agreement with the new President and CEO Ernest Miller IV commencing on June 1, 2016 for an indeterminate period of time at an annual rate of two hundred thousand United States dollars (US$200,000) per annum until such time as the Corporation has cash on deposit equal to not less than one million United States dollars (US$1,000,000) for a period of 60 days after which the rate will be two hundred fifty thousand United States dollars (US$250,000). The agreement is subject to termination at any time, if either party gives thirty (30) days written notice.

Critical accounting estimates

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. Exploration and evaluation costs, including acquisition costs of oil and gas properties and exploration and evaluation activities, are charged to earnings as they are incurred until the property has been established as technically feasible and commercially viable, at which point related development expenditures are capitalized. The technical feasibility and commercial viability of extracting oil and gas resource from exploration and evaluation assets is considered to be generally determinable when proved and probable reserves are determined to exist.

The Company's current market price and the volatility of the Company's market price will affect the estimates made for share-based payments. The volatility of the Company's stock price and the stock price at the grant date have the most significant impact on the estimate of fair value of share-based payments. The Company expenses share-based payments for its employees whose options vest immediately at grant. For employees, whose options vest over time, the Company amortizes the fair value over the vesting period.

Share-based payments are accounted for using the fair value based method. Under the fair value based method, compensation cost is measured at fair value of the options at the date of grant and is expensed over the vesting period of the award. The Company estimates the fair value using the Black-Scholes option pricing model.

The Company operates in several jurisdictions and it estimates taxes in each jurisdiction taking into consideration different tax rates, non-deductible expenses, valuation allowances, changes in tax laws and expectations for future results.

The Company bases its estimates of future income taxes on temporary differences between the assets and liabilities reported in the financial statements, and the assets and liabilities determined by the tax laws in the various countries it operates in.

Changes in accounting policies and standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 29, 2016, and have not been applied in preparing these consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

(a) IFRS 9 – *Financial instruments* ("IFRS 9")

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) Other

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial instruments

The fair value of the Company's financial instruments, financial statement classification and associated risks are presented in the table below:

Financial instrument	Financial statement classification	Associated risks	Fair value at February 29, 2016 ($)
Cash	Carrying value	Credit, currency and concentration	19,284
Restricted cash	Carrying value	Credit, currency and concentration	-
Amounts receivable	Carrying value	Credit and concentration	12,165
Security deposits	Carrying value	Credit, currency and concentration	-
Accounts payable and accrued liabilities	Carrying value	Currency	(1,049,193)
Due to related parties	Carrying value	n/a	(467,470)
Promissory note payable	Carrying value	Interest	(20,912)
			(1,506,126)

IFRS 7, *Financial Instruments: Disclosure* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 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 for the asset or liability that are not based on observable market data (unobservable inputs).

As at February 29, 2016, the Company does not have any financial instruments that require valuation techniques to measure fair value.

The Company manages its exposure to financial risks, including credit risk, liquidity risk, currency risk, interest rate risk and price risk in accordance with systems put in place to manage these risks, as monitored by the board of directors (the "Board"). The Board approves and monitors the risk management processes and there were no changes to the objectives or the process from the prior year. Please refer to the "Risks and uncertainties" section in this report for a full description of the types of risks that the Company is exposed to and its objectives and policies for managing those risk exposures.

Outstanding share data

The Company's authorized capital is unlimited common shares without par value. As of August 19, 2016, the following common shares, options and share purchase warrants were outstanding:

	# Of Shares	**Exercise Price $**	**Expiry Date**
Issued and Outstanding Common Shares at August 19, 2016	**99,319,160**		
Options Outstanding			
	150,000	0.65	December 2, 2016
	680,000	0.66	December 30, 2016
	190,000	0.20	December 4, 2017
	100,000	0.18	July 8, 2018
	1,800,000	0.20	August 30,2018
	1,100,000	0.22	November 5, 2018
	500,000	0.20	December 23, 2018
	170,000	0.45	March 12, 2019
Total Options Outstanding	**4,690,000**		
Warrant Outstanding			
	1,060,000	0.06	November 30, 2017
	5,317,116	0.06	December 24, 2017
Total Warrant Outstanding	**6,377,116**		
Fully Diluted at August 15, 2016	**110,386,276**		

On September 29, 2015, the Company issued 9,200,000 common shares of the Company to shareholders of Columbus Copper and acquired a 100% interest in Columbus Copper.

On June 24, 2016 the Company announced that it closed a non-brokered private placement for gross proceeds of $310,609.25. The private placement closed in two tranches, the first on May 30, 2016 for gross proceeds of $53,000 and the second on June 24, 2016 for $257,609.25. A total of 6,212,185 units were issued at a price of $0.05 per unit. Each unit is comprised of one common share and one warrant for the purchase of one additional common share of the Company at an exercise price of $0.06 per share for a period of 18 months after the date of closing. Finder's warrants to acquire up to 164,931 additional common shares of the Company on the same terms as the private placement warrants were issued to one finder in connection with the private placement.

The Company also settled aggregate outstanding debt of $50,925 that was owed to Columbus Gold Corp. for the provision by Columbus of management and support services to the Company. 50% of the debt or $25,462.50 was forgiven by Columbus and the remaining 50% was converted into 509,250 common shares of the Company, which were issued on June 24, 2016 at a conversion price of $0.05 per share.

Disclosure and internal controls

Disclosure controls and procedures have been established to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which annual filings are being prepared. Furthermore, internal controls have been established to ensure the Company's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

There have been no material changes in the Company's internal controls during the year ended February 29, 2106.

Risks and uncertainties

The Company continues its emphasis on oil and gas exploration with a view to discover reserves and generate cash flows and is reviewing other projects of interest as they come available. The oil and gas business is subject to a number of risks and other factors which may have an impact on the Company, including but not limited to the following:

Overseas projects

The Company's projects are located in foreign jurisdictions and are subject to risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, restrictions on production, export controls, land use and operational safety, and the potential for terrorism or military repression. Because a significant percentage of its operating costs, exploration expenditures and lease maintenance and acquisition costs are denominated in U.S. dollars, the Company's results of operations are subject to the effects of fluctuations in exchange rates and inflation. The Company does not engage in any hedging activities to minimize such risks.

Exploration and production risks

Drilling oil and gas wells involves the risk that the wells will be unproductive or that, although productive, the wells do not produce oil and/or gas in economic quantities. Other hazards, such as unusual or unexpected geological formations, pressures, fires, blowouts, loss of circulation of drilling fluids or other conditions may substantially delay or prevent completion of any well. Adverse weather conditions can also hinder drilling operations. A productive well may become uneconomic in the event water or other deleterious substances are encountered, which impair or prevent the production of oil and/or gas from the well. In addition, production from any well may be unmarketable if it is impregnated with water or other deleterious substances. As with any petroleum property, there can be no assurance that oil and gas will be produced from the properties in which the Company has interests. In addition, the marketability of oil and gas, which may be acquired or discovered, will be affected by numerous factors beyond the control of the Company. These factors include the proximity and capacity of oil and gas pipelines and processing equipment, market fluctuations of prices, taxes, royalties, land tenure, allowable production and environmental protection. The extent of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no assurance that additional crude oil or natural gas in commercial quantities will be discovered by the Company.

Financing risks

The Company has primarily relied on the sale of its equity capital to fund the acquisition, exploration and development of its petroleum properties. It has no assurance that additional funding will be available to it for exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to generate sufficient operating cash flow or obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to generate such additional operating cash flow or obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the risk of possible loss of such properties.

Natural gas and oil prices

In recent decades, there have been periods of both worldwide overproduction and underproduction of hydrocarbons and periods of both increased and relaxed energy conservation efforts. Such conditions have resulted in periods of excess supply of, and reduced demand for, crude oil on a worldwide basis and for natural gas on a domestic basis. These periods have been followed by periods of short supply of, and increased demand for, crude oil and, to a lesser extent, natural gas. The excess or short supply of crude oil and natural gas has placed pressures on prices and has resulted in dramatic price fluctuations even during relatively short periods of seasonal market demand.

No history of earnings

EnerGulf has no history of earnings or of a return on investment, and there is no assurance that any of its properties will generate earnings, operate profitably or provide a return on investment in the future. The Company has not paid dividends in the past and has no plans to pay dividends for some time in the future. Its board of directors will determine the future dividend policy of EnerGulf. Some of the Company's oil and gas interests may consist of oil and gas tenures which have not been surveyed, and therefore, the future determination of those interests, the precise area and location of such interests may be in doubt. Although there are resources estimates, there are no known reserves of oil and gas on EnerGulf's properties.

Repatriation of earnings

Regulations of foreign countries may provide that subject to payment of applicable taxes, foreign investors may remit out of those countries, in foreign exchange, profits or dividends derived from a source within those countries. Remittance by foreign investors of any other amounts (including for instance, proceeds of sale arising from a disposal by a foreign investor of any of his investment in those countries) out of those countries may be subject to the approval of the respective State administrations. No assurance can be given that such approval would be granted. Further, there can be no assurance that additional restrictions on the repatriation of earnings in those countries will not be imposed in the future.

Political investment risk; political instability in developing countries

EnerGulf's interests are in countries that may be affected by varying degrees of political instability and the policies of other nations in respect of these countries. These risks and uncertainties include military repression, political and labour unrest, extreme fluctuations in currency exchange rates, high rates of inflation, terrorism, hostage taking and expropriation. EnerGulf's current projects are located in Southern and West Africa, in the countries of Namibia and Democratic Republic of Congo. EnerGulf's exploration and development activities may be affected by political instability and the nature of various government regulations relating to the oil and gas industry. Any changes in regulations or shifts in political conditions are beyond the control of EnerGulf and may adversely affect its business and/or its holdings.

Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and safety factors. EnerGulf's operations in those countries entail significant governmental, economic, social, medical and other risk factors common to all developing countries. See "Economic Uncertainty in Developing Countries". The status of these countries as developing countries may make it more difficult for EnerGulf to obtain any required financing because of the investment risks associated with these countries.

Economic uncertainty in developing countries

EnerGulf's future operations may be adversely affected by economic uncertainty characteristic of developing countries. For example, some countries have experienced high rates of inflation for many years. There can be no assurance that any governmental action to control inflationary or deflationary situations will be effective in ensuring economic stability or that future governmental action will not trigger inflationary or deflationary cycles. Additionally, changes in inflation or deflation rates and governmental actions taken in response to such changes can also affect currency values in such countries. Any such changes could have a material adverse effect on EnerGulf's results of operations and financial condition. While these countries permit private economic activities, the governments have exercised and continue to exercise substantial control over virtually every sector of their economy through regulation and state ownership. EnerGulf's prospects, results of operations and financial condition may be adversely affected by political, economic and social uncertainties, changes in leadership, diplomatic developments and changes or lack of certainty in the laws and regulations of these countries.

Current resource exploration conditions

The current infrastructure in these countries may not be adequate to support EnerGulf's planned activities. For example, the continued reliability, or the ability of the appropriate authorities to maintain water supply, electricity supply and transportation accessibility is presently undetermined or being studied. In addition, there are technical risks associated with oil and gas exploration. These risks could result in increased operating costs.

Title risks

The acquisition of title to oil and gas properties or interests therein is a very detailed and time-consuming process. Title to and the area of resource concessions may be disputed. EnerGulf will however, before expending funds on exploration and drilling activities, make efforts to ensure that title is secure.

Currency fluctuations

Presently, the Company's hydrocarbon exploration activities are conducted in Africa and all petroleum revenues and expenditures are conducted in both United States and Canadian dollars. To date, all equity financings transacted by the Company have been conducted in Canadian dollars. The Company will maintain certain of its cash holdings in United States dollars. Future fluctuations in the value of the Canadian relative to the US dollar may have a material and adverse effect on the Company's ability to conduct financings in the future.

Management's responsibility for financial statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the consolidated financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to any shareholder who requests it.

Caution regarding forward looking statements

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of the Company's future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

These risks, uncertainties and other factors include, but are not limited to: changes in Canadian/US dollar exchange rates; the Company's strategies and objectives; the Company's tax position and the tax and applicable royalty rates; the Company's ability to acquire necessary permits and other authorizations in connection with its projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; the Company's cost reduction and other financial and operating objectives; the Company's environmental, health and safety initiatives; the availability of qualified employees and labour for operations; risks that may affect operating or capital plans; risks created through competition for oil and gas properties; risks associated with exploration projects, and oil and gas reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about: general business and economic conditions; the timing of the receipt of required approvals for operations; the availability of equity and other financing on reasonable terms; power prices; ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; ability to attract and retain skilled labour and staff; the impact of changes in Canadian/US dollar and other foreign exchange rates on costs and results; market competition; and ongoing relations with employees and with business partners and joint venturers.

Management cautions the reader that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Management undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Other information

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

Corporate information

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