

PETROX RESOURCES CORP.

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

The following discussion and analysis should be read in conjunction with the financial statements of the Corporation for the three and six months ended June 30, 2025, and all of the notes, risk factors and information contained therein.

Date

This management discussion & analysis ("MD&A") is dated August 27, 2025, and is in respect of the three- and six-month period ended June 30, 2025.

Overall Performance

Petrox Resources Corp. ("Petrox" or the "Corporation") was incorporated under the *Business Corporations Act* (Alberta) on February 25, 2011. On December 29, 2011, Petrox completed its initial public offering of 3,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$300,000 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Exchange").

On May 31, 2012, the Corporation completed its Qualifying Transaction under the policies of the Exchange, which consisted of the acquisition ("Acquisition") of certain oil and gas assets (the "Richfield Assets") from Richfield Oils Inc. Pursuant to the Acquisition, Petrox acquired the Richfield Assets from Richfield, in exchange for which the Corporation issued to Richfield an aggregate of 3,000,000 common shares in the capital of the Corporation at a deemed price of \$0.25 per common share for a total deemed price of \$750,000.

On June 2, 2014, the Corporation completed the acquisition of certain oil and gas properties located in the Fletwode area of Saskatchewan ("Fletwode Properties") for \$2,100,000. These properties include six oil producing wells with a combined producing rate of approximately 40 barrels per day and a total proven plus probable reserve of 166,000 barrels.

On December 18, 2023, the Corporation announced that it has entered into a non-binding letter of intent dated December 14, 2023, to acquire all of the shares of M&L Renewable Technology International Ltd ("M&L"). M&L is a private company incorporated under the laws of Alberta, Canada, on June 6, 2019. M&L, working alongside M&L Renewable Energy Group Ltd. ("MREG"), is pursuing the development of biochar production and power generation facilities. Initially, it plans to build a biochar facility with an annual production capacity of 3,650 tonnes and a 1.58 MW power generation facility, if feasible, for a total estimated capital investment of \$5,728,000 (\$3,473,000 for the biochar facility and \$2,255,000 for the power generation facility) in Edmonton, Alberta (the "Project"). On May 23, 2024, the letter of intent was terminated upon mutual agreement between the parties.

On May 24, 2024, the Corporation announced that it has entered into a non-binding letter of intent, dated May 24, 2024, to complete a transaction (the "Proposed Transaction") whereby it will acquire all of the shares of SSGE Bio-energy Company Limited ("SSGE"). SSGE Bio-energy Company Limited ("SSGE"), a holding company located in Hong Kong Special Administrative Region ("HKSAR") who, through its wholly owned operating subsidiary, SSBE Limited ("SSBE"), has developed one of the World's largest Bio-Coal production in Myanmar, with capacity of over 200,000 tons per year at the end of 2023. SSGE

also developed 56 patents in regard to the whole vertical process. SSGE aims to become a leader of sustainable energy industry by converting any waste woody biomass and any agricultural waste from forest and/or operations into Bio-Coal. SSGE plans to develop and deliver world-class decarbonization solutions in Canada to the rest of the world by its state-of-the-art patented technologies.

On December 31, 2024, the Corporation announced that the deadline to enter into a definitive agreement with SSGE with respect to the Proposed Transaction has been extended to March 31, 2025. On March 31, 2025, the deadline was further extended to September 30, 2025.

Selected Financial Information

A summary of selected financial information is as follows:

	As at June 30, 2025	As at December 31, 2024
Total assets	\$379,776	\$445,648
Long-term financial liabilities	\$304,769	\$297,772
Total shareholders' equity	\$50,635	\$91,735
	Three months ended June 30, 2025	Three months ended June 30, 2024
Revenue	\$94,613	\$137,709
Net income (loss)	(\$32,628)	\$34,187
Income (loss) per share – basic and diluted	(\$0.001)	\$0.001

For the three months ended June 30, 2025, the Corporation reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Summary of Quarterly Results

	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Financial								
Sales Revenue (000s)	\$94,613	\$105	\$108	\$126	\$138	\$113	\$134	\$178
Sales Volume (bbls)	1,198	1,160	1,217	1,384	1,391	1,327	1,403	1,760
Net Income/Loss (000s)	(\$32.63)	(\$8.47)	(\$60.54)	(\$2.40)	\$34.18	(\$33.97)	(\$98.56)	\$47.33
Income/Loss per Share								
Basic and diluted	(\$0.001)	(\$0.000)	(\$0.001)	(\$0.000)	\$0.001	(\$0.000)	(\$0.002)	\$0.001

	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Operations								
Production Volume (bbls)	1,146	1,167	1,170	1,198	1,286	1,514	1,582	1,657
Average Price (/bbl)	\$80.36	\$90.15	\$89.04	\$93.86	\$105.45	\$89.52	100.61	105.91
Royalty (/bbl)	\$3.29	\$3.54	\$3.62	\$3.45	\$2.82	\$2.14	\$2.79	\$3.62
Operating Cost (/bbl)	\$33.67	\$30.39	\$52.37	\$54.12	\$32.17	\$43.42	\$47.75	\$31.66
Netback (/bbl)	\$43.40	\$56.21	\$33.05	\$36.10	\$70.46	\$43.96	\$50.07	\$70.62

Results of Operations

Production

For the three months ended June 30, 2025, the Corporation recorded a total production of 1,146 barrels compared to 1,286 barrels in 2024 and an average daily production of 12.6 bbls/d compared to 14.13 bbls/d in 2024 from its production property in Fletwode, Saskatchewan.

For the six months ended June 30, 2025, the Corporation recorded a total production of 2,313 barrels compared to 2,800 barrels for the same period in 2024 and an average daily production of 12.78 bbls/d compared to 15.38 bbls/d in 2024.

Sales Revenue

For the three months ended June 30, 2025, the Corporation recorded sales revenue before royalty payment of \$94,613 on sale of 1,198 barrels compared to sales revenue of \$137,709 on sale of 1,391 barrels in 2024. In the second quarter of 2025, the Corporation received an average sale price of \$80.36 per barrel comparing to \$105.45 per barrel in 2024.

For the six months ended June 30, 2025, the Corporation recorded sales revenue before royalty payment of \$199,213 on sale of 2,359 barrels compared to sales revenue of \$252,879 on sale of 2,719 barrels for the corresponding period in 2024. The Corporation had lower sales revenue primarily due to lower sales volume and lower sale price in 2025. In 2025, the Corporation received an average sale price of \$85.18 per barrel compared to \$97.67 per barrel in 2024.

Royalties

For the three months ended June 30, 2025, the Corporation recorded total royalties of \$3,771, representing 3.99% of revenue, compared to \$3,628, representing 2.60% of revenue in 2024.

For the six months ended June 30, 2025, the Corporation recorded total royalties of \$7,905, representing 3.97% of revenue, compared to \$6,865, representing 2.71% of revenue in 2024.

Operating Expenses

For the three months ended June 30, 2025, the Corporation incurred production operating expenses totalling \$40,938 compared to \$41,361 in 2024.

For the six months ended June 30, 2025, the Corporation incurred production operating expenses totalling \$76,402 compared to \$107,110 in 2024.

Operating Netback

	Six Months Ended June 30, 2025
\$/bbl	
Average Sales price	\$85.18
Royalties	(\$3.42)
Operating expenses	(\$32.02)
Operating netback	\$49.74

General and Administrative Expenses

For the three months ended June 30, 2025, the Corporation's general and administrative expenses were \$69,583 compared to \$46,811 in 2024.

For the six months ended June 30, 2025, the Corporation's general and administrative expenses were \$130,271 compared to \$113,716 in 2024.

Depletion and Depreciation

For the three months ended June 30, 2025, the Corporation incurred \$10,721 or \$9.35 per bbl of production in depletion and depreciation expense compared to \$9,143 or \$7.11 per bbl in 2024.

For the six months ended June 30, 2025, the Corporation incurred \$21,268 or \$9.19 per bbl of production in depletion and depreciation expense compared to \$18,007 or \$6.43 per bbl in 2024.

Cash Flow

For the three months ended June 30, 2025, the Corporation had a cash used in operations of \$32,788 compared to a cash provided by operations of \$2,399 in 2024.

For the six months ended June 30, 2025, the Corporation had cash used in operations of \$43,441 compared to cash used in operations of \$39,629 in 2024.

Net Income or Loss

For the three months ended June 30, 2025, the Corporation had a net and comprehensive loss of \$32,628 compared to a net and comprehensive income of \$34,187 in 2024. The decrease in net income was primarily due to the lower sales revenue with lower sale price and lower sale volume.

For the six months ended June 30, 2024, the Corporation had a net and comprehensive loss of \$41,100 compared to a net and comprehensive income of \$2,219 in 2024.

Liquidity

As of June 30, 2025, the Corporation had working capital of \$120,827, primarily comprised of cash, deemed sufficient for the Corporation to meet its ongoing obligations in the coming year.

Related Party Transactions

The following tables summarize the remuneration of directors and of other members of key management personnel during the three month period ended June 30, 2025 and 2024.

	<i>Three months ended June 30, 2025</i>	<i>Three months ended June 30, 2024</i>
Consulting fees	\$26,350	\$26,350

Basis of Preparation and Statement of Compliance

The financial statements of the Corporation have been prepared using the historical cost convention and are in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee (IFRIC").

Changes in Accounting Policies

See Notes 3 to 4 in the financial statements for the three months period ended June 30, 2025.

Off-Balance Sheet Arrangements

The Corporation has not engaged in any off-balance sheet arrangements.

Financial Instruments

The Corporation's financial instruments consist of cash, trade and other receivables, goods and services tax recoverable, and trade and other payables. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Disclosure of Outstanding Share Data

As of June 30, 2025, the following is a description of the outstanding equity securities and convertible securities issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	55,132,258 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Stock options to acquire up to 10% of outstanding Common Shares	Nil
Securities convertible or exercisable into voting or equity securities – agent's options	Nil	Nil
Securities convertible or exercisable into voting or equity securities – warrants	Nil	Nil

Risks and Uncertainties

External financing will be required to fund the Corporation's activities primarily through the issuance of common shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities.

The Corporation has not generated sufficient revenues and does not expect to sufficient revenues in the near future. In the event that the Corporation generates sufficient revenues in the future, the Corporation intends

to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Outlook

On May 24, 2024, the Corporation announced that it has entered into a non-binding letter of intent, dated May 24, 2024, to complete a transaction (the “Proposed Transaction”) whereby it will acquire all of the shares of SSGE Bio-energy Company Limited (“SSGE”). SSGE Bio-energy Company Limited (“SSGE”), a holding company located in Hong Kong Special Administrative Region (“HKSAR”) who, through its wholly owned operating subsidiary, SSBE Limited (“SSBE”), has developed one of the World's largest Bio-Coal production in Myanmar, with capacity of over 200,000 tons per year at the end of 2023. SSGE also developed 56 patents in regard to the whole vertical process. The Corporation is looking forward to further development of the Proposed Transaction.

Forward Looking Statements

This MD&A and other public announcements by the Corporation may contain information that is forward looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Corporation's future financial performance, business strategy, plans, goals, and objectives. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. In particular, forward-looking statements included in this MD&A include, but are not limited to, the focus of capital expenditures; expectations regarding the ability to raise capital; Petrox's future plans, operations and objectives; the completion and use of proceeds of the Financing; timing of adoption and implementation of new accounting policies and timing of the payment of dividends.

These statements involve known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, among other things: the ability of the Corporation to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; changes to the laws, rules, and regulations applicable to the Corporation; unavailability of financing; changes in government regulation; general economic conditions; general business conditions; escalating professional fees; escalating transaction costs; stock market volatility and ability to access sufficient capital from internal and external sources; inability to meet or continue to meet listing requirements; the inability to obtain required consents, permits or approvals, failure to realize the anticipated benefits of the QT and the risk that actual results will vary from the results forecasted and such variations may be material.

With respect to forward-looking statements contained in this MD&A, the Corporation has made assumptions regarding: timing and amount of capital expenditures; future exchange rates; conditions in general economic and financial markets; effects of regulation by governmental agencies and future operating costs.

Petrox's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Petrox will derive therefrom.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on

the Corporation's future outlook and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The Corporation does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as expressly required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Additional Information

Additional Information regarding the Corporation can be found on the Corporation's filings at www.sedar.com.