SILK ROAD ENERGY INC.

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2015

The following discussion and analysis should be read in conjunction with the financial statements of the Corporation for the three months and nine months ended June 30, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the IFRS Interpretations Committee and in effect at June 30, 2015.

Date

This management discussion & analysis ("MD&A") is dated May 28, 2015, and is in respect of the three and nine months ended June 30, 2015. This MD&A was prepared by management of Silk Road Energy Inc. ("Silk Road" or the "Corporation"), and was approved by the Board of Directors on August 31, 2015. All amounts are in Canadian dollars unless otherwise stated.

Overall Performance

Silk Road Energy Inc. ("Silk Road Energy" or the "Corporation") was incorporated under the Business Corporations Act (Alberta) on November 9, 2010 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Exchange"). On January 27, 2014, the Corporation entered into a formal acquisition agreement ("Acquisition Agreement") with Gold Note Resources Inc. ("Gold Note"), pursuant to which the Corporation has completed the purchase of certain oil production, oil and gas reserves, lands, leases and miscellaneous interests held by Gold Note in the Bashaw, Columbia and Thornbury areas of Alberta (the "Acquisition"). The Acquisition constitutes the Corporation's qualifying transaction (the "Qualifying Transaction") under the applicable policies of the Exchange.

Pursuant to the terms of the Acquisition Agreement, the Corporation purchased, on industry standard terms, certain non-operated petroleum and natural gas rights, oil and gas production, tangibles, oil and gas reserves, lands, leases and miscellaneous interests including seven (7) gross producing wells (the "Assets") located in the Bashaw, Columbia and Thornbury areas in Alberta, Canada for an aggregate purchase price of $500,000 inclusive of applicable taxes and in Canadian funds, payable by way of 2,352,941 common shares of Silk Road ("Consideration Shares") at a deemed price of $0.17 per Common Share and $100,000 cash. The Consideration Shares are subject to the terms and conditions of an escrow agreement between Silk Road, Gold Note, and Olympia Trust Company dated January 24, 2014.

The completion of the Acquisition by the Corporation was approved by the board of director of the Corporation and by the TSXV as the Qualifying Transaction of the Corporation. As a result, the Corporation is no longer considered a Capital Pool Company as of January 29, 2014.

Selected Business Highlights

On January 6, 2012, the Corporation completed its initial public offering (the "Offering") of 6,042,500 common shares at a price of $0.10 per share for gross proceeds of $604,250. In connection with the Offering, the Corporation paid cash commissions of $60,425 (10% of gross proceeds) and issued to the agent options to purchase 604,250 common shares at a price of $0.10 per common share for a period of 24 months from closing.

The Corporation has also granted options to acquire an aggregate of 934,250 common shares, at an exercise price of $0.10 per share, to the directors of the Corporation, which options will expire ten years from the date of grant. Subsequent to the issuance of the common shares pursuant to the Offering, the Corporation had 11,725,729 common shares issued and outstanding.

On January 27, 2015, the Corporation announced that the 2,352,941 common shares of Silk Road ("Consideration Shares") issued to Gold Note at a deemed price of $0.17 per common share in connection with the Acquisition were cancelled and returned to treasury effective January 27, 2015. The Consideration Shares were subject to the terms and conditions of a Form 5D Escrow Agreement – Surplus Security between Silk Road, Gold Note, and Computershare Trust Company of Canada (formally Olympia Trust Company) dated January 24, 2014 (the "Escrow Agreement"), and were cancelled in accordance with the Escrow Agreement as: (i) the Tax Debt (as defined in the Escrow Agreement) of Gold Note has not paid in full or elimination, and (ii) satisfactory confirmation has not been provided to the Exchange confirming the Canada Revenue Agency is fully satisfied respecting the Tax Debt. After giving effect to the cancellation of the Consideration Shares, the Corporation had 9,372,788 common shares issued and outstanding.

Selected Financial Information

A summary of selected financial information is as follows:

	As at June 30, 2015	**As at June 30, 2014**
Total Assets	$618,536	$735,619
Total Liabilities	$413,854	$36,762
Total Shareholders' Equity	$204,682	$698,857

	Three Months ended June 30, 2015	**Nine Month ended June 30, 2015**
Production Revenue	$37,868	$156,629
Production Expense	$56,982	$152,080
Loss per share – Basic and Diluted	$(0.020)	$(0.037)
Net Loss	$(188,793)	$(350,058)

	Three Months ended June 30, 2014	**Nine Months ended June 30, 2014**
Production Revenue	$91,620	$138,961
Production Expense	$0	0
Loss per share – Basic and Diluted	$(0.007)	$(0.005)
Net Loss	$(82,763)	$(58,557)

For the three and nine months ended June 30, 2015, the Corporation reported no discontinued operations or extraordinary items, no changes in accounting policy and declared no cash dividends. On January 29, 2014, the Corporation completed its Qualifying Transaction with the acquisition of certain oil and gas assets from Gold Note (Note 5) for cash consideration of $100,000 and the issuance of 2,352,941 Consideration Shares. As of January 29, 2014 the Corporation was no longer classified as CPC. On January 27, 2015 the 2,352,941 Consideration Shares issued to Gold Note were cancelled in accordance with the Escrow Agreement. After giving effect to the cancellation of the Consideration Shares, the Corporation had 9,372,788 common shares issued and outstanding.

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs of the Corporation for the three and nine months ended June 30, 2015 and 2014:

	Three Months ended June 30, 2015	**Nine Months ended June 30, 2015**
Depletion, Impairment and Accretion expenses	$12,991	$38,973
Share-based compensation	$0	$0
General and administrative fee	$83,806	$155,690
Professional fees	$72,882	$159,944

	Three Months ended June 30, 2014	**Nine Months ended June 30, 2014**
Depletion, Impairment and Accretion expenses	$0	$0
Share-based compensation	$0	$0
General and administrative fee	$1,639	$16,042
Professional fees	$2,018	$166,821

Results of Operations

As at June 30, 2015, the Corporation had production revenues of $0 (2014 - $0) and production costs of $0 (2014 - $0) and the Corporation had a net loss of $(154,352) compared to a net loss of $(96,008) for the year ended June 30, 2014. For the nine months ended June 30, 2015, the Corporation had general and administration fees of $0 (2014 - $46,601) and professional fees of $0 (2014- $50,650) and depletion, impairment and accretion expenses of $12,991 (2014 - $0) and share based compensation of $0 (2014 - $0).

Summary of Quarterly Results

	Gross Revenue	Net Income/ (Loss)	Loss per Share Basic	Loss per Share Diluted
Q3 ended June 30, 2015	$37,868	$(188,793)	$(0.020)	$(0.020)
Q2 ended March 31, 2015	$51,427	$(154,352)	$(0.016)	$(0.0164)
Q1 ended December 31, 2014	$67,329	$(7,002)	$(0.0001)	$(0.0001)
Q4 ended September 30, 2014	$91,620	$(199,619)	$(0.024)	$(0.014)
Q3 ended June 30, 2014	$47,341	$(86,420)	$(0.007)	$(0.007)
Q2 ended March 31, 2014	$0	$(79,826)	$(0.007)	$(0.007)
Q1 ended December 31, 2013	$0	$(61,494)	$(0.007)	$(0.007)
Q4 ended September 30, 2013	$0	$(54,531)	$(0.009)	$(0.009)

For the above noted periods, the Corporation reported no discontinued operations or extraordinary items.

Liquidity

As at June 30, 2015, the Corporation had working capital of $28,255 comprised of cash or cash equivalents deemed sufficient by management for the Corporation to meet its current financial obligations for the next fiscal quarter. Currently, the Corporation is expected to have increased cash flow as monthly revenues will exceed monthly expenses. The Corporation will use excess cash flow to seek out future acquisitions.

Related Parties Transaction

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties. There were no related party transactions incurred during the three and nine months ended June 30, 2015 and June 30, 2014.

Remuneration of Directors and key management of the Corporation during the year ended June 30, 2015 and 2014:

	2015	2014
Share-based payment	$0	$0

Basis of Preparation and Statement of Compliance

See Note 2 in the financial statements for the year ended June 30, 2015.

Changes in Accounting Policies including Initial Adoption

Standards issued but not yet effective up to the date of issuance of the Corporation's financial statements are listed below. This listing is of standards and interpretations issued, which the Corporation reasonably expects to be applicable at a future date. The Corporation intends to adopt those standards when they become effective.

a) Adoption of new or amended accounting standards

As required, effective October 1, 2013, the Corporation adopted the following new or amended accounting standards on a retrospective basis. These new or amended standards did not have a significant impact on the Corporation's financial statements.

In May 2011, the IASB issued *IFRS 11 – Joint Arrangements*, which requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method.

In December 2011, the IASB amended *IFRS 7 – Financial Instruments*: Disclosures, to require disclosures to better assesses the effect or potential effect of offsetting arrangements in the statement of financial position.

In May 2011, the IASB issued *IFRS 13 – Fair Value Measurement*, which established a single source of guidance for fair value measurement under IFRS. IFRS 13 defines fair value, provides guidance on measurement and introduces certain disclosure requirements.

In June 2011, the IASB amended *IAS 1 – Presentation of Financial Statements*, providing guidance on items contained in other comprehensive income and their classification.

b) New accounting standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Corporation may have been excluded from the list below.

IFRS 2 Share-based Payment
As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IFRS 2, issued by the IASB in December 2013, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in March 2014, clarify the definition of "vesting conditions" and "market conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IFRS 3 Business Combinations

As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IFRS 3, issued by the IASB in December 2013, incorporated into Part I of the CPA Canada Handbook – Accounting (the Handbook) by the AcSB in March 2014, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

As part of the Annual Improvements to 2011 – 2013 cycle, the amendments to IFRS 3, issued by the IASB in December 2013, incorporated into the Handbook by the AcSB in March 2014, clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself. The amendments are effective for annual periods beginning on or after July 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IFRS 8 Operating Segments
As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IFRS 8, issued by the IASB in December 2013, incorporated into Part I of the CPA Canada Handbook **-** Accounting by the AcSB in March 2014, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 (2014) as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. This Standard will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 (2014) is effective for reporting periods beginning on or after January 1, 2018 The Corporation is currently assessing the effect on its financial statements.

IFRS 10 Consolidated Financial Statements
In October 2012, the IASB issued amendments to this Section, incorporated into the Handbook by the AcSB in January 2013 that introduce an exception for investment entities to the principle that all subsidiaries are consolidated. The amendments define an investment entity and require an investment entity to measure subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Consequential amendments were also made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations and IAS 7 Statement of Cash Flows. These amendments are effective for annual periods beginning on or after January 1, 2014.

In September 2014, the IASB issued amendments to IFRS 10 and IAS 28 (Revised) Investments in Associates and Joint Ventures. The amendments address an inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the sale or contribution of a subsidiary by an investor to an associate or joint venture. The amendments require sales or contributions of assets that constitute a business to be accounted for in accordance with the requirements of IFRS 10 (i.e., full gain or loss recognition). All other sales or contributions of assets would be accounted for in accordance with the requirements of IAS 28 (i.e., gain or loss recognition limited to the extent of the unrelated investors' interests in the associate or joint venture).These amendments should be applied prospectively for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the effect on its financial statements.

IFRS 11 Joint Arrangements

In May 2014, the IASB issued amendments to this Standard, incorporated into the Handbook by the AcSB in July 2014, to clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. The amendments apply to the acquisition of an interest in a joint operation on its formation, unless the formation of the joint operation coincides with the formation of the business, and the acquisition of additional interests in the same joint operation. These amendments should be applied prospectively for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the effect on its financial statements.

IFRS 12 Disclosure of Interests in Other Entities

In October 2012, the IASB issued amendments to this Section, incorporated into the Handbook by the AcSB in January 2013, to add disclosure requirements for investment entities. The amendments require an entity to disclose that it meets the definition of an investment entity, if applicable, including significant judgments and assumptions it has made in determining that it is an investment entity. Specific disclosure requirements for information about an investment entity's non-consolidated subsidiaries have also been included. These amendments are effective for annual periods beginning on or after January 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IFRS 13 Fair Value Measurement

When an entity applies the "portfolio exception", it measures the fair value of financial assets and liabilities, with offsetting positions in market or counterparty credit risk, consistently with how market participants would price the net risk exposure. As part of the Annual Improvements to 2011 – 2013 cycle, the amendments to IFRS 13, issued by the IASB in December 2013, incorporated into the Handbook by the AcSB in March 2014, clarify that the portfolio exception applies to all contracts within the scope of IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation. The amendments are effective for annual periods beginning on or after July 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued a new IFRS on the recognition of revenue from contracts with customers. IFRS 15 specifies how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC- 31 Revenue – Barter Transactions Involving Advertising Services. The Section provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions. The five steps are:

- Identify the contract(s) with the customer.
- Identify the performance obligation(s) in the contract.
- Determine the transaction price.
- Allocate the transaction price to each performance obligation in the contract.

- Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard is effective for annual periods beginning on or after January 1, 2017. The Corporation is currently assessing the effect on its financial statements.

IAS 16 Property, Plant and Equipment
The amendments to IAS 16 and IAS 38, issued by the IASB in May 2014, incorporated into the Handbook by the AcSB in July 2014, clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate. Amendments to IAS 38 specify that an amortization method based on revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The amendments are effective for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the effect on its financial statements.

IAS 24 Related Party Disclosures
As part of the Annual Improvements to 2010 – 2012 cycle, the amendments to IAS 24, issued by the IASB in December 2013, incorporated into Part I of the CPA Canada Handbook – Accounting by the AcSB in March 2014, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IAS 28 (Revised) Investments in Associates and Joint Ventures
In September 2014, the IASB issued amendments to IFRS 10 Consolidated Financial Statements and IAS 28 (Revised). The amendments address an inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the sale or contribution of a subsidiary by an investor to an associate or joint venture. The amendments require sales or contributions of assets that constitute a business to be accounted for in accordance with the requirements of IFRS 10 (i.e. full gain or loss recognition). All other sales or contributions of assets would be accounted for in accordance with the requirements of IAS 28 (i.e. gain or loss recognition limited to the extent of the unrelated investors' interests in the associate or joint venture). These amendments should be applied prospectively for annual periods beginning on or after January 1, 2016. The Corporation is currently assessing the effect on its financial statements.

IAS 32 Financial Instruments: Presentation
This Section was amended by the IASB in December 2011, incorporated into Part I of the CPA Canada Handbook – Accounting (the Handbook) by the AcSB in May 2012, to address inconsistencies in applying criteria for offsetting financial assets and financial liabilities. The meaning of the offsetting criterion "currently has a legally enforceable right to set off" has been clarified, to state that the right must not be contingent on future events and must be enforceable in the normal course of business, in event of default and in the event of insolvency or bankruptcy. Additional guidance has been included to clarify the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. This amendment is effective for annual periods beginning on or after January 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IAS 36 Impairment of Assets

In May 2013, the IASB issued an amendment, incorporated into Part I of the CPA Canada Handbook – Accounting by the AcSB in September 2013, to IAS 36. These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments are effective for annual periods beginning on or after January 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IAS 39 Financial Instruments: Recognition and Measurement

In June 2013, the IASB issued an amendment, incorporated into Part I of the CPA Canada Handbook – Accounting by the AcSB in September 2013, to IAS 39. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments are effective for annual periods beginning on or after January 1, 2014. The Corporation is currently assessing the effect on its financial statements.

IFRIC 21 Levies

In May 2013, the IASB issued IFRIC 21, incorporated into Part I of the CPA Canada Handbook – Accounting by the AcSB in September 2013, which provides guidance on the accounting for levies within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The main features of IFRIC 21 are as follows:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and
- The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The Interpretation is effective for annual periods beginning on or after January 1, 2014. The Corporation is currently assessing the effect on its financial statements.

Off-Balance Sheet Arrangements

The Corporation has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Corporation or engages in leasing or hedging services with the Corporation.

Financial Instruments

The Corporation's financial instruments consist of cash, accounts receivable and accounts payable. 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. Fair values of financial instruments and discussion of risks associated with financial instruments are presented as follows:

Fair value of financial instruments

The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – inputs to the valuation methodology are not based on observable market data.

Level 1 assumptions are used to value cash. The carrying value for cash, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these financial statements.

The Corporation manages risk through establishing policies that provide management oversight related to the risks of operations, including ensuring that risks are identified and assessed and appropriate policies are in place and effective. Financial instruments present a number of specific risks. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, market risk is segregated into three categories: interest rate risk, commodity price risk and foreign currency risk. Other risks associated with financial instruments include credit risk and liquidity risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Corporation has no financial instruments that create interest rate risk exposure.

Commodity risk

The nature of the Corporation’s operations result in exposure to commodity price fluctuations. The Corporation closely monitors commodity prices to determine the appropriate course of action to be taken by the Corporation. The Corporation does not hedge commodity price risk and has no physical forward price or financial derivative sales contracts as at or during the year ended March 31, 2015

During the year if production remained constant and the Corporation realized commodity prices changed by $1.00 per barrel of oil equivalent, the Corporation’s net loss would vary by $6,500.

Foreign Currency Risk

Prices for petroleum are determined in global markets and generally denominated in United States dollars. The Corporation had no forward exchange rate contracts in place nor any working capital items denominated in foreign currencies for the three months ended. An increase in the value of the Canadian dollar relative to the U.S. dollar decreases the revenues received from the sale of petroleum and natural gas commodities. Correspondingly, a decrease in the value of the Canadian dollar relative to the U.S. dollar increases the revenues received from the sale of petroleum and natural gas commodities. The impact of such exchange rate fluctuations cannot be accurately quantified.

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Substantially all of the Corporation's accounts receivable are due from petroleum and natural gas marketers and are subject to normal credit risk. The maximum exposure to credit risk is calculated as the total value of accounts receivable as at the period ending is nil. Significant changes in industry conditions and risks that negatively impact customers' ability to generate cash flow will increase the risk of not collecting receivables. Management believes the risk is mitigated by the size and reputation of the companies purchasing its oil and natural gas production.

All of the Corporation's accounts receivables are less than 30 days aged.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation manages its revolving loan, cash inflows from operations and capital expenditures to ensure it will have sufficient liquidity to meet its liabilities when due. The Corporation's ongoing liquidity is impacted by various external events and conditions, including commodity price fluctuations and the global economic environment.

The Corporation's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable consist of invoices payable to trade supplier for general, administrative, royalty, production and capital expenditures and are usually payable in 30 to 90 days.

Disclosure of Outstanding Share Data

As at June 30, 2015 and the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

The number of Shares as of June 30, 2015 was 9,372,788 (2014 – 11,595,441) and the amount of Share Capital was $950,993 (2014 - $945,610) and the contributed Surplus was $156,386 (2014 - $109,835) and the deficit was $902,697 (2014 - $356,588) and the shareholders equity for was $ 204,682 (2014 - $698,857).

	Authorized	**Outstanding**
Voting or equity securities issued and outstanding	Unlimited Common Shares	9,372,788 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Stock options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 934,250 Common Shares
Securities convertible or exercisable into voting or equity securities – agent's options	Agent's options to acquire up to 604,250 common shares	Agent's options to acquire up to 604,250 common shares

Outlook

The Corporation has not had any significant changes to its overall business outlook from those discussed in the Corporation's filing statement dated December 23, 2013 except in connection with the completion of the Acquisition.

Risks and Uncertainties

The Corporation has a limited history of operation but has recently completed a Qualifying Transaction. (See Overall Performance).

External financing may 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 risk factors noted in the Corporation's filing statement dated December 23, 2013 as well as those noted herein should be given special consideration when evaluating an investment in any of the Corporation's securities.

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; expectations regarding the ability to raise capital; Silk Road Energy's future plans, operations and objectives; timing of adoption and implementation of new accounting policies and timing of 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; 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.

Silk Road Energy'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 Silk Road Energy will derive there from.

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 internet profile at ww.sedar.com.