

SILK ROAD ENERGY INC.
MANAGEMENT DISCUSSION AND ANALYSIS – ANNUAL HIGHLIGHTS
For the six-month periods ended March 31, 2022

This Management's Discussion and Analysis – Quarterly Highlights ("MD&A") for Silk Road Energy Inc. ("Silk Road" or the "Company") should be read in conjunction with: the unaudited condensed interim financial statements for the period ended March 31, 2022 (the "Reporting Period") and the notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"); the MD&A for the period ended March 31, 2022.

The effective date of this MD&A is May 27, 2022.

COVID-19 PANDEMIC

There was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipates this outbreak and increased government regulations, which may delay the finalization of any pending transactions and may negatively affect the Company's business and financial condition.

OVERVIEW

Silk Road is a publicly traded company that operates in the oil and gas industries. The Company's primary listing exchange is the TSX Venture Exchange (TSXV: SLK). On February 1, 2019, the Company's stock was cease-traded by the Alberta Securities Commission ("ASC") and the Ontario Securities Commission ("OSC") as a consequence of failing to file its annual audited financial statements, annual management's discussion and analysis and certification of the annual filings for the year ended 30 September 2018. The Company was subsequently moved to the TSX Venture Exchange's subset trading platform known as the NEX Exchange. On October 1, 2021, the Company received a dual revocation order from the ASC and the OSC. Subsequently, the NEX Exchange announced the resumption of the trading of common shares of the Company effective October 6, 2021.

Background

Silk Road 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 28, 2014, the Company entered into a formal acquisition agreement ("Acquisition Agreement") with Gold Note Resources Inc. ("Gold Note"), pursuant to which the Company 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 Company’s qualifying transaction (the “Qualifying Transaction”) under the applicable policies of the Exchange.

Pursuant to the terms of the Acquisition Agreement, the Company 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.

During the year ended September 30, 2015, the Company disposed of (5) gross producing wells in the Columbia GCU.

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

During the last half of the fiscal year ended September 30, 2021, the Company began its work towards the revocation of its cease-trade order issued jointly by the Alberta Securities Commission and the Ontario Securities Commission and its reinstatement for the re-listing of its common shares for trading on the TSX Venture Exchange. During the fiscal year, the Company applied to the Alberta Securities Commission for a partial revocation order. On October 24, 2019, the Alberta Securities Commission granted a partial revocation order to permit the Company to complete a private placement (the “Private Placement”) of units of the Issuer (“Units”), each Unit consisting of one Preferred Share and one Preferred Share purchase warrant, for gross proceeds of up to \$185,000, to one or more subscribers, solely in order to cover all costs and fees (which includes audit fees, professional fees, late filing fees and any other applicable fees) that are related to the fulfillment by the Company of all of its disclosure obligations and in order to file all the financial statements and related certifications for all previously ended financial years and interim periods since the date of the cease-trade order as required by applicable law and to provide it with sufficient working capital to continue its operations until it can apply for and receive a full revocation of the cease-trade order.

During the period ended March 31, 2022, the Company began to seek exploration opportunities in the mineral sectors with concentration on gold and other precious metals.

CORPORATE HIGHLIGHTS FOR THE REPORTING PERIOD

During the twelve-month period ended September 30, 2021, the Company announced the following developments.

On May 2, 2020, the Company was granted approval by the TSX Venture Exchange to commence a Private Placement of Units consisting of a preferred share priced at \$0.025 per share and one half of one preferred share purchase warrant at a price of \$0.10 per share exercisable for 12 months. The

preferred shares are to be converted into common shares with the resumption of trading.

On June 26, 2020, Silk Road announced that it had closed the first tranche of its previously announced Private Placement in which a total of 3,280,000 Units were sold for aggregate gross proceeds of \$82,000. Each Unit was comprised of one Class A Preferred Share in the capital of the Company ("Preferred Share") and one half of one Preferred Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Preferred Share at a price of \$0.10 per share for a period of 12 months from the date such Warrant was issued. The Preferred Shares are redeemable at the option of the Company and will be entitled to receive any dividends declared by the Company on the Preferred Shares. In the event of any voluntary or involuntary liquidation, dissolution or winding up, the Preferred Shares will be entitled to be paid out of the assets of the Company ratably an amount equal to \$0.025, subject to certain adjustments. The Preferred Shares are also convertible into common shares of the Company at the option of the Company.

On August 5, 2020, Silk Road announced that it had closed the second tranche of its previously announced Private Placement in which a total of 1,000,000 Units were sold for aggregate gross proceeds of \$25,000 under the same terms and conditions.

On March 2, 2021, Silk Road closed the third tranche of the Private Placement in which a total of 2,300,000 Units were sold under the third tranche at a price of \$0.025 per Unit for aggregate gross proceeds of \$57,500. The Company raised aggregate funds of \$164,500 in three tranches.

On May 19, 2021, Silk Road filed its annual, audited financial statements for the period ended September 30, 2020 and the accompanying documents, namely the annual management's discussion and analysis, Ontario Form 13-502F1, Alberta Form 13-501F1, the CEO and CFO certification of annual filings in the form prescribed by 52-109FV1 and the Oil and Gas annual disclosure filings in conformity with Forms 51-101F1, F1-101F2 and 51-101F3.

The Private Placement was conducted further to a partial revocation order which was issued by the Alberta Securities Commission dated October 24, 2019, and the proceeds of the private placement are being used to, among other things, bring the Company's continuous disclosure obligations up to date, to apply for a full revocation of the failure to file cease trade order dated February 1, 2019, and to pay outstanding and related fees. Copies of the partial revocation order and the failure to file cease trade order can be found on the Canadian Securities Administrators' website at securities-administrators.ca. The Units issued pursuant to the Private Placement will remain subject to the failure to file cease trade order until a full revocation order is received.

On April 27, 2021, the Company received the final acceptance from the NEX board of the TSX Venture Exchange concerning the Private Placement.

On May 26, 2021, Silk Road filed interim financial statements and the accompanying documents for each of the periods ended December 31, 2019, March 31, 2020 and June 30, 2020.

On May 27, 2021, Silk Road filed interim financial statements and the accompanying documents for each of the periods ended December 31, 2020 and March 31, 2021.

On June 2, 2021, the Company submitted an application (the “**Application**”) pursuant to Section 33 of National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (“**NP 11-207**”), for an order for a full revocation order dual failure-to-file cease trade order dated February 1, 2019 (the “**FFCTO**”) issued by the Alberta Securities Commission and evidencing the decision of Ontario Securities Commission in connection with the failure of Silk Road to file its annual audited financial statements, annual management discussion and analysis, and certification of annual filings for the year ended September 30, 2018, by the required filing deadlines.

On July 29, 2021, Silk Road revised and filed interim financial statements and related documents for the period ended March 31, 2020 as well as revised annual MD&A and related documents for the period ended September 30, 2020.

On August 30, 2021 Silk Road filed interim financial statements and the accompanying documents for the period ended June 30, 2021.

During the six-month period ended March 31, 2022, the Company announced the following developments.

On October 1, 2021, Silk Road received a dual revocation order from the ASC and the OSC.

By bulletin, the NEX Exchange announced the resumption of the trading of common shares of Silk Road effective October 6, 2021.

Silk Road converted 6,580,000 Preferred Shares into common shares on October 7, 2021, resulting in no preferred shares outstanding and 18,592,788 common shares issued and outstanding.

On October 18, 2021, Silk Road announced a private placement and amended the terms of this private placement on October 24, 2021 in which Units are being offered at \$0.06 per Unit to raise gross proceeds of up to \$700,000 (the “Offering”). Each Unit will consist of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to acquire a Common Share at \$0.12 per Common Share for twelve (12) months following the issuance of Warrants.

On October 22, 2021, the Company filed a reactivation application with the TSX Venture Exchange for the purposes of graduating from the NEX Exchange.

On November 30, 2021, Silk Road held its annual and special shareholders’ meeting.

The Company has also contemplated looking at opportunities in the gold exploration and mining business in parallel. In December 2021, the Company entered into an agreement to acquire from a company related by common directors’ 100 percent ownership of two mining concessions of gold and other precious metals claims located in the Kirkland Lake region of Ontario in return for 9 million shares of the Company at a price of \$0.05 per share. The acquisition is still subject to the final approval by its shareholders.

In January 2022, the Company sold its petroleum and natural gas interests, its associated decommissioning liabilities and assigned its related accounts payable owing to the operator of the property to a company related by a common director of the Company for \$10.

In April 2022, the Company entered into an option agreement to earn a 100 percent interest in five claim

blocks comprising 5.2 square kilometres in the Grenfell Township located approximately 8.5 kilometres due west from the Macassa Mine near Kirkland Lake, Ontario. The claims, known as the Four Nations-Grenfell property, host multiple gold occurrences according to historical work files submitted to the Ontario Government. There has also been drilling conducted on the property that intersected gold mineralization. This transaction is considered arms-length in which the Company will pay a private exploration company \$50,000 in cash over three years and issue a total of two million shares. The shares are paid over two years: one million payable upon closing and 500,000 shares each to be issued on the first and second anniversaries of the closing date. There are no work commitments on the properties. The agreement is subject to TSX, regulatory and board approvals.

FINANCIAL HIGHLIGHTS FOR THE REPORTING PERIOD

The Company reported total assets of \$10,915 as at March 31, 2022 (September 30, 2021: \$10,302), an increase of \$613 with overall liabilities increased by \$10,278. This is primarily due to fees incurred with respect to various regulatory filing fees for revocation of cease trade order, reactivation on NEX board of TSXV and annual filing fees.

Shareholders' deficit was \$638,718 at March 31, 2022 (September 30, 2021: shareholders' deficit of \$629,053), an increase of \$9,665 which has been described in previous paragraph.

For the six-month period ended March 31, 2022, the Company had working capital deficit of \$638,719 (September 30, 2021 – \$629,054) comprised of cash or cash equivalents, accounts receivable and accounts payable and accrued liabilities and due to related party. The Company reported a net loss of \$9,665 in the reporting period (2021 - \$33,382), a decrease of \$23,717 in net loss and, with production revenue being nil during the Reporting Period, no current sources of cash inflows other than from proposed Private Placement.

OUTLOOK

The Company will continue to work with the TSX Venture Exchange in order to become reinstated on the TSX Venture Exchange and have the Company's common shares trading there. With accumulated deficit of \$2,180,552 as at the end of the reporting period indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Additionally, the Company will continue to seek opportunities in the resources sectors, including the acquisition of or joint venture in opportunities in the mining and exploration sectors. At this time, the Company has entered into an agreement with a related party to divest itself of its two natural gas assets. The Company is looking for potential asset acquisitions in the mineral resources sector to become a junior mineral exploration company and has entered into an agreement to acquire two concessions claims from a company related by common directors.

COVID-19

The management of the Company will continue to monitor the COVID-19 pandemic situation and attempt to orient the Company's operations and corporate strategy accordingly.

RESULTS FROM OPERATIONS
THREE YEARS ANNUAL FINANCIAL INFORMATION

	September 30, 2021 \$	September 30, 2020 \$	September 30, 2019 \$
Total Assets	10,302	80,456	26,016
Total Liabilities	639,355	907,197	851,074
Total Shareholders' Equity (Deficiencies)	(629,053)	(826,741)	(825,058)

	September 30, 2021 \$	September 30, 2020 \$	September 30, 2019 \$
Revenue	13,352	20,714	8,324
Operating expenses	(13,357)	(19,443)	(3,105)
General and administrative expenses	(92,267)	(101,612)	(115,923)
Depletion, impairment and accretion expenses	(8,332)	(8,342)	(24,960)
Other items	240,792	-	-
Net income (loss)	140,188	(108,683)	(135,664)
Income (loss) per share – basic and diluted	0.01	(0.01)	(0.01)

RESULTS FROM OPERATIONS

During the six-month period ended March 31, 2022, the Company generated production revenues of \$Nil (2021 – \$Nil) and operating expenses of \$Nil (2021 - \$930) and general and administration expenses of \$16,540 (2021 - \$28,282) and depletion, impairment and accretion expenses of \$Nil (2021 - \$2,085). The Company also recognized a gain on settlement of debts of \$6,875 (2021 - \$Nil).

SUMMARY OF QUARTERLY RESULTS

Reporting Period	Gross Revenue \$	Net Income (Loss) \$	Basic \$	Diluted \$
Q2 ended March 31, 2022	-	(1,576)	(0.0001)	(0.0001)
Q1 ended December 31, 2021	-	(8,089)	(0.0005)	(0.0005)
Q4 ended September 30, 2021	12,357	204,637	0.02	0.02
Q3 ended June 30, 2021	995	(31,067)	(0.0025)	(0.0025)
Q2 ended March 31, 2021	-	(7,901)	(0.0007)	(0.0007)
Q1 ended December 31, 2020	-	(25,481)	(0.0021)	(0.0021)
Q4 ended September 30, 2020	11,385	(44,600)	(0.0037)	(0.0037)
Q3 ended June 30, 2020	8,631	(22,984)	(0.0020)	(0.0020)

FINANCIAL POSITION

At March 31, 2022, the Company had working capital deficit of \$638,719 (September 30, 2021 – \$629,054) comprised of cash or cash equivalents, accounts receivable and accounts payable and accrued liabilities and due to related party.

Liquidity

The Company's working capital deficiency consists largely of unpaid salaries and professional fees. The parties involved have all agreed to forebear and work with the Company over time towards their settlement.

The only capital requirements that the Company faces in the near term is for accounting, audit and regulatory fees. The Company is planning an equity offering to cover these obligations and to re-build its balance sheet when the trading of its securities resumes. There is a risk related to capital market conditions that could prevent this from occurring.

Capital Resources

The Company has no capital expenditure requirements presently. The Company currently no longer owns any oil & gas interests. The Company does not own any assets, property or interests that it must maintain in good standing. The Company is seeking other opportunities in acquiring properties or interests and/or optioning other properties in the mineral resource sectors.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet transactions as at March 31, 2022.

RELATED PARTIES TRANSACTIONS

The Company's related parties include the CEO, CFO, the directors and family members of these parties. Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received. Transactions with related parties for the six-month periods ended March 31, 2022 and March 31, 2021 were as illustrated in the table below.

Remuneration of Directors and key management of the Corporation:

	2022	2021
Share-based payment	\$ -	\$ -
Key management compensation – CFO	\$ -	\$ -

As at March 31, 2022, there was \$500,685 (September 30, 2021 - \$515,685) to accounts payable and accruals to key management.

The Company also received advances from a company related by common directors in the amount of \$64,578

during the period ended March 31, 2022 (2021 - \$Nil). This is a non-interest bearing, non-secured loan with no fixed terms of repayment.

STOCK OPTION PLAN

The purpose of the Stock Option Plan (the “Plan”) is to serve as an incentive for the directors, officers, employees, and service providers who will be motivated by the Company’s success, as well as to promote ownership of common shares of the Company by these people. There is no objective attached to the Plan and no relationship to manage the Company’s risks. A description of Silk Road’s stock option transactions can be found in Note 9 of Silk Road’s unaudited condensed interim financial statements for the six-month period ended March 31, 2022.

At March 31, 2022, the Company had nil options issued and outstanding.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in financial statements and accompanying notes. There is a full description and a detailed presentation of the Company’s significant accounting policies, accounting judgements and uncertainties relative to significant estimates in the unaudited condensed interim financial statements as at March 31, 2022 (Note 3).

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company has 18,592,788 common shares issued and outstanding and no preferred shares outstanding.

RISK FACTORS

For a detailed list of risks and uncertainties related to the business of Silk Road, please consult the Company’s unaudited condensed interim financial statements for the period ended March 31, 2022.

CAUTIONARY STATEMENT

This Management and Discussion Analysis may contain forward-looking information within the meaning of applicable securities legislation, which reflects the Company’s current expectations regarding future events. Forward-looking information is based on several assumptions and is subject to several risks and uncertainties, many of which are beyond the Company’s control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Readers should not place undue reliance on forward- looking statements and forward-looking information and are cautioned that reliance on such information may not be appropriate for other purposes.

The Company does not undertake any obligation to update such forward-looking information, whether because of new information, future events or otherwise, except as expressly required by applicable law. These risks and uncertainties include, but are not limited to, those described under the headings “Financial

Instruments & Risk Management” and “Inherent Risk Factors” in this MD&A and could cause actual events or results to differ materially from those projected in any forward-looking statements. The Company does not intend, nor does it undertake any obligation, to update or revise any forward-looking statements contained in this MD&A to reflect subsequent information, events, or circumstances or otherwise, except if required by applicable law.

ADDITIONAL INFORMATION

Additional disclosures pertaining to the Company’s material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors, we thank our shareholders for their continued support.

“Vladimir Katic”

Vladimir Katic
Chief Executive Officer

May 27, 2022