PETRO-VICTORY ENERGY CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

The following Management's Discussion and Analysis ("MD&A") is dated November 28, 2023 and should be read in conjunction with the unaudited interim condensed consolidated financial statements and accompanying notes of Petro-Victory Energy Corp. ("Petro- Victory" or the "Company") as at and for the three and nine months ended September 30, 2023, and 2022. The Condensed Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information for the Company can be found at the SEDAR website or at www.petrovictoryenergy.com.

The Company's reporting currency is U.S. Dollar ("USD") and its business is conducted principally in Brazil. Substantially all costs incurred in Brazil are in Brazilian Real ("BRL" or "R$") and the Company incurs corporate office administrative costs primarily in USD and legal and professional fees in Canadian dollars ("CAD" or "CDN"). **In this MD&A, unless otherwise indicated, all "dollar" amounts or references to "US$" or "$" or "USD$" refer to USD.** A discussion of non-IFRS terms and a glossary of other terms is included at the end of this report.

OVERVIEW

Description of Business

Petro-Victory, through its subsidiaries, is engaged in the acquisition and development of crude oil and natural gas resources in Latin America, primarily in Brazil. Petro-Victory's shares are traded on the TSX Venture Exchange (TSX: VRY.V).

Petro-Victory's Business Strategy

Petro-Victory's business strategy is to deliver substantial returns to its shareholders through the growth of its on-shore upstream asset acquisition and development business model that focuses on disciplined investments in high impact, low-risk assets.

Petro-Victory builds and maximizes shareholder value through:

- Acquiring assets that are under-valued
- Assessing, analyzing, and updating geological and geophysical data
- Obtaining independent audited reserve reports
- Developing and executing drilling and work-over programs that maximize near and long-term production
- Methodical growth of low-cost and high margin production
- Methodical growth of proven reserves
- Conversion of under-developed assets into high-value and high-margin production

AREAS OF OPERATION AND ASSET ACQUISITIONS

Petro-Victory's Brazilian Launch and Subsequent Asset Acquisitions

Brazil has long been a major participant in the worldwide oil and gas industry. The evolution of the Brazilian energy sector, regulatory changes, and Petroleo Brasileiro, S.A. ("Petrobras") divestiture program offered unprecedented opportunities to invest in under-developed energy assets in Brazil.

In 2015, the national oil company of Brazil, Petrobras, began divesting assets including large non-core, developed, onshore assets and shallow water offshore assets to redirect their investments to develop their pre-salt deep-water assets.

From the time of the Company's IPO in 2014 until 2016, the Company pursued an exploration and development program in Paraguay. The Company eventually discovered hydrocarbons in two separate reservoirs; however, such discoveries were not deemed to be commercially viable given the economic environment at the time. The Company eventually sold its 36% working interest in October 2015. During 2016, the Company sought to minimize cash outlays in Paraguay and evaluate new business opportunities for the Company which led it to enter Brazil. Of the Company's $85.5 million accumulated deficit at September 30, 2023, $69.5 million related to Paraguayan investments and its start-up expenses.

Since 2017, the Company has raised $17.3 million in share capital equity financing primarily from non-brokered private placements and focused its efforts on a disciplined investment strategy by acquiring Exploration and Production ("E&P") assets in Brazil primarily by participating in the ongoing Petrobras onshore E&P divestment program and The Brazilian National Agency of Petroleum, Natural Gas and Biofuels ("ANP") Permanent Offer auction rounds. At present, the Company owns thirty-eight (38) concessions totaling 257,604 acres and holds 100% working interest in all of its assets. As of December 31, 2022 the Company has proven plus probable ("2P") NPV_{10} reserves on six (6) of the concessions valued at $255.6 million.

2023 Advancement

During the first nine months of 2023, the Company focused primarily on maximizing value through geological, geophysical, and petrophysical evaluation to identify, quantify, and qualify reserves and prospective resources on the remaining 32 blocks. On May 2, 2023 the Company announced a 43% increase in 2P reserves as of December 31, 2022. In August 2023 the Company completed the reprocessing of 2,396 km^2 of 3D seismic coverage in the Potiguar basin, a project that has been ongoing for more than 2 years.

In July 2023, the Company announced the appointment of industry expert, Gervasio Barzola, to lead the G&G subsurface team. The G&G team will have identified and quantified the remaining conventional resources throughout the Company's acreage by the end of the year. As prospects are identified, the technical team will also perform risk assessments, prioritization, and prepare development plans.

The G&G team has thus far identified an additional 10.1 million barrels of oil (bbls) of conventional prospective resources in 12 blocks in the Potiguar basin and 10 million barrels of oil equivalent (boe) of contingent resources in the Barreirinhas basin. These additional resources are not included in the audited reserve report as of December 31, 2022.

Furthermore, during the first half of 2023, the Company received the first study of the source rock within the Company's blocks at the Potiguar basin. The study was conducted by an independent third-party evaluator and indicated an unrisked oil in place (mean case) of 36.2 billion boe.

Total oil sales volume for the nine months ended was 20,572 bbls, an increase of 59% year over year for the same period and a 59% increase in average daily oil sales.

Looking ahead, beginning in the first half of 2024, the Company will begin to realize the value of the 1P and 2P reserves and increase production to generate free cash flow. After a successful workover campaign in December 2022 in the São João field, the Company will return again to the São João field in the Barreirinhas basin where the Company has now expanded its facilities, and re-enter wells previously drilled and tested by Petrobras with more than 300 meters of net oil pay estimated. Three (3) of the nine (9) wells are currently producing with only 10%, 20%, and 50% of their net oil pay currently producing, respectively. Nine (9) total wells have 2P production curves expected to add approximately 600 boepd (up from 75 boepd realized across all of the Company's fields in the 9 months ended September 30, 2023). Additional workovers and development drilling are also scheduled for the fields in the Potiguar basin in 2024.

INDEPENDENT AUDITED RESERVES

As of December 31, 2022, the Company's independently audited reserves consist of 2P reserves of 6.9 million barrels of oil equivalent ("boe") and a before-tax value discounted at 10% ("NPV_{10}") of $255.6 million for six of its thirty-eight blocks. This represents a 54% increase in 2P reserve valuation as compared to the prior year's reserve report. GLJ Petroleum Consultants Ltd. assessed, evaluated and audited the reserves. The 1P reserves amounted to 3.5 million boe with a NPV_{10} valuation before tax of $132.2 million. The related 3P reserves totaled 10.2 million boe with a NPV_{10} valuation before tax of approximately $362.8 million.

FINANCIAL & OPERATING SUMMARY

(In United States dollars)	As at and for the Three Months Ended September 30, 2023	2022	Change (%)	As at and for the Nine Months Ended September 30, 2023	2022	Change (%)
Financial						
Oil sales	**303**	250	21	**1,517**	1,085	40
Net (loss)	**(1,206)**	(1,714)	30	**(3,354)**	(4,209)	20
Per share – basic ($) and diluted ($)	**(0.08)**	(0.10)	20	**(0.15)**	(0.25)	40
Cash (used in) operating activities	**407**	870	(53)	**1,731**	3,281	(47)
Capital Expenditures	**706**	481	47	**1,279**	2,367	(46)
Total Assets	**16,254**	12,675	28	**16,254**	12,568	29
Cash and cash equivalents	**641**	91	604	**641**	91	604
Net working capital excess (deficiency)	**(5,850)**	(1,983)	(195)	**(5,850)**	(1,963)	(198)
Weighted average shares outstanding						
Basic	20,429,849	17,961,139	14	**19,532,233**	17,004,525	15
Operations						
Oil sales:						
Oil (bopd)	**43**	36	19	**75**	48	56
Average realized prices:						
Oil ($/bbl)	**82.61**	75.13	10	**80.71**	83.29	(3)
Operating netback ($/bbl)						
Realized sales price, net	**76.44**	75.13	2	**73.76**	83.29	(11)
Royalties	**(6.27)**	(5.41)	16	**(3.83)**	(7.32)	(48)
Production expenses	**(55.92)**	(30.74)	82	**(35.05)**	(29.39)	19
Operating netback	**14.25**	38.97	(63)	**34.88**	46.58	(25)
Operating netback margin	**19%**	52%	(63)	**47%**	56%	(16)

DISCUSSION OF 2023 OPERATIONS

The third quarter and nine-month year-to-date 2023 activities resulted in a loss of $1.2 million and $3.4 million respectively, as compared with the same period in 2022 of $1.7 million and $4.2 million. The operating loss decrease year-over-year of $855 thousand is primarily driven by a $500 thousand increase in revenue, offset by a $900 thousand increase in production and general and administrative expenses, and a non-cash $1.4 million gain on fair value adjustments in other income. The third quarter 2023 had a decrease of $508 thousand net loss compared to the third quarter 2022 due to a $50 thousand increase in revenues and a $550 thousand non-cash gain in other income.

FINANCIAL AND OPERATING REVIEW

Sales Volumes

	Three Months Ended September 30, 2023	2022	Change (%)	Nine Months Ended September 30, 2023	2022	Change (%)
Total Oil sales (bbls)	**3,970**	3,326	19	**20,572**	13,022	58
Average daily oil sales (boepd)	**43**	36	19	**75**	48	56

Sales volumes increased for the nine months ended September 30, 2023 by 7,550 bbls driven primarily by the SJ-01, SJ-06 and SJ-11 wells. There was an increase of 12,959 bbls in the SJ field offset by a decrease of 5,351 bbls in the other producing wells year over year. With sales volumes at this early stage of the Company's investment plan, the lift costs per barrel are exaggerated and not representative of the expected economies of scale to be achieved after the planned workover and drilling campaigns. Future production volumes are expected to increase disproportionately from production expense thus decreasing the lift cost per barrel.

Average Realized Prices

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Average realized prices, net:						
Oil ($/bbl)	**76.44**	75.13	2	**73.76**	83.29	(11)
Average benchmark prices:						
Brent Oil ($/bbl)	**82.20**	100.71	(18)	**77.31**	105.00	(26)
Average Foreign Exchange Rate:						
($1 = BRL)	**4.91**	5.25	(6)	**5.01**	5.13	(2)

Sales are priced on a discount to Brent Oil and sold in local currency (BRL). Sales are typically conducted on site and the Company does not incur transportation/delivery costs. Average realized prices per bbl decreased with Brent Oil market price decreases. See the considerations for commodity pricing herein.

Oil Revenues

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Oil revenues	**303**	250	21	**1,517**	1,085	40

Petro-Victory generated $303 thousand in total revenues in the third quarter of 2023, an increase of 21% compared to the third quarter 2022 revenues of $250 thousand. This was due to a 19% increase in production volumes, and a 2% increase in realized prices for the quarter as compared to the prior year quarter. The nine months ended September 30, 2023 sales volumes were 58% higher compared to the same period in 2022. This was due to a 58% increase in production volumes, partially offset by a 11% decrease in realized sales price.

Royalties

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Royalties	**24**	18	33	**79**	95	(17)
Royalties ($ per boe)	**6.27**	5.41	16	**3.83**	7.32	(48)
Royalties as a percentage of sales (%)	**8%**	7%	14	**5%**	9%	(44)

Nine months ended September 30, 2023 royalties decreased year-over year due to a government mandate on August 22, 2022 to decrease royalty rates to the minimal rate allowed by law which is 5%. For the three months ended September 30, 2023 royalties as a percentage of revenue was roughly the same as it was three months ended September 30, 2022. Minor differences between the actual royalty rates incurred and the statutory rates in effect are driven by the difference in market pricing realized price and the statutory index used in the calculation of royalties by ANP and thus the timing of sales relative to the calculated payment of the royalties based on statutory index by ANP.

Operating Netback

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Operating netback						
Oil sales	**303**	250	21	**1,517**	1,085	40
Royalties	**(24)**	(18)	33	**(79)**	(95)	(17)
Production expenses	**(222)**	(102)	118	**(721)**	(383)	88
Operating netback	**57**	130	(56)	**717**	607	18
Operating netback per boe ($)	**18.81**	38.98	(63)	**34.88**	46.58	(25)

Operating netback is calculated on a per unit basis, which is boe. It is a common non-IFRS measure used in the oil and natural gas industry and management believes this measurement assists in evaluating the operating performance of the Company at the field level. It is a measure of the economic quality of the Company's producing assets and is useful for evaluating variable costs as it provides a reliable measure regardless of fluctuations in production. Operating netback is calculated as natural gas, oil and condensate sales (after sales taxes) less royalties, and production and transportation costs on a per unit (barrel of oil equivalent) basis. This calculation per unit is provided in the Selected Quarterly Results Section of this MD&A and is illustrated using the IFRS measures in the table above. Operating netback per boe decreased year-over-year primarily due to the increased production expenses in line with increased production and a simultaneous decrease in realized sales prices offset by decreases in royalty rate year-over-year.

General & Administrative

	Three Months Ended September 30,			Nine Months Ended September 30,		
G&A Expenses, by type:	**2023**	2022	Change (%)	**2023**	2022	Change (%)
Payroll and related	**577**	$ 414	39	**$ 1,762**	$ 1,195	47
Professional fees	**380**	260	46	**857**	745	15
Office expense and other	**(40)**	55	(173)	**302**	197	53
Travel and related	**109**	(4)	2,825	**151**	105	44
D&O Insurance	**4**	14	(71)	**33**	43	(23)
Director's fees	**75**	27	178	**204**	80	155
Consulting	**33**	(266)	112	**46**	27	70
Gross G&A	**1,138**	$ 500	128	**$ 3,355**	$ 2,392	40

As operations and production continue to increase, the Company focuses on building the optimum organization in Brazil. As a result certain G&A payroll expenses have increased and outside consulting fees have decreased. During 2022 the Company hired new administrative and production team members and opened an office in Mossoro, RN, Brazil. The Company had a headcount of 39 (34 in Brazil) as of September 30, 2023, compared to just 20 (16 in Brazil) as of September 30, 2022. The Company intends to continue to concentrate the majority of new hires in Brazil to support production and development activities, while keeping the non-Brazil headcount low.

Financing expenses (income)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Accretion on decommissioning liabilities	0	3	(100)	**$ 5**	$ 5	0
Fair value change in warrant liability	(677)	(81)	(736)	**(1,396)**	162	(961)
Amortization of deferred financing costs	143	102	40	**607**	421	44
Other financing costs	(72)	23	(413)	**(81)**	23	(452)
	(606)	47	(1,389)	**$ (865)**	$ 611	(242)

The decrease in total Financing Costs is driven primarily by the change in fair value of the warrant liability. This decrease is due to the decrease in the fair value of warrants issued during the year caused by a decrease in share price during the period.

Share Based Compensation

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Share based compensation	**327**	72	354	**803**	361	122

Share-based compensation expense is a non-cash expense based on the fair value of stock options granted and amortized over the respective vesting periods. As of September 30, 2023, 4.2 million stock options were outstanding and $803 thousand of unamortized share-based compensation costs remain.

Depletion and Depreciation

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change (%)	**2023**	2022	Change (%)
Depletion and depreciation	**89**	373	(76)	**279**	414	(33)
$ per boe	**22.50**	112.02	(80)	**13.58**	31.76	(57)

Depletion is calculated on a unit-of-production basis for all upstream PP&E assets, with higher production volumes resulting in a higher depletion rate. The Company's Depletion rate is higher in the current year due to higher production volumes year-over-year. The Company reviews the depletion rate assumptions each year and makes adjustments annually to the depletion rates.

SELECTED QUARTERLY RESULTS

The selected information below has been prepared in accordance with IFRS and is expressed in U.S. dollars.

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Financial								
Total Revenue	**$ 303**	$ 524	$ 690	$ 445	$ 250	$ 386	$ 449	$ 399
Net Income (loss)	**(1,206)**	(1,601)	(547)	(2,592)	(1,712)	(990)	(1,524)	(833)
Income (loss) per Share	**(0.08)**	(0.05)	(0.01)	(0.14)	(.10)	(.06)	(.10)	(.08)
Capital Expenditures	**706**	132	573	2,024	481	1,757	129	224
Total Assets	**16,254**	15,784	15,885	14,119	12,675	13,045	14,168	8,931
Total Current Liabilities	**6,696**	4,432	3,822	3,256	2,074	1,625	1,727	3,951
Total Long-term Liabilities	**4,387**	4,901	4,746	7,880	6,769	5,050	5,286	4,573

Total revenue for the third quarter 2023 decreased from the previous quarter driven by a decrease in sales volumes of roughly 3,396 boe. There was a decrease of 2,246 boe sold from the Sao Joao field and a decrease of 1,150 boe sold from the Andorinha field in the third quarter 2023.

DISCLOSURE OF OUTSTANDING SECURITIES DATA

The Company has authorized an unlimited number of Common and Restricted Shares. Additionally, the Company has an incentive stock option plan that enables the Board of Directors, at its discretion to grant options for up to 20% of the outstanding Common Shares. The option plan requires approval each year by shareholders at the AGM. The incentive stock option plan document can be found on SEDAR (www.sedar.com).

DISCLOSURE OF OUTSTANDING SECURITIES DATA (continued)

The Company has the following amounts of securities outstanding as of September 30, 2023:

	Number of Shares as of,	
	September 30, 2023	**December 31, 2022**
Common Shares	**14,434**	12,454
Restricted Voting Shares	**5,996**	5,996
Issued Warrants to Debt Holders	**1,169**	1,169
Issued and Outstanding Options	**3,954**	3,564
Issued Warrants to Shareholders	**7,260**	5,536
Total Outstanding Securities	**32,813**	28,719

CAPITAL RESOURCES

The Company has and will continue to rely upon the sale of additional equity interests and/or issuance of debt securities for additional capital required for acquisition, exploration, and development purposes. In 2021, the Company refinanced its debt facility and was able to retire several existing loans. As discussed in more detail below under "Private Placement of Stock", in February 2022, the Company completed an equity offering totaling CAD$10.8 million. This offering provided the Company with additional liquidity to commence its 2022 work program and ANP auction acquisition strategy and pay down debt.

Credit Facilities

On September 3, 2021, the Company entered into a $5 million secured loan from PPF 13, a Dallas-based limited partnership, payable over a term of five years with annual principal payments of $500 thousand plus interest at a rate of seven-point one percent (7.1%). As part of the transaction, PPF 13 also received 375 thousand warrants to purchase a like number of common shares at a share price of CAD $2.03. As of June 30, 2023 the Company owed $4.5 million principal on the credit facility with $500 thousand in principal payments coming due in the next twelve months.

On October 6, 2022, the Company closed a $1.7 million secured financing agreement with 579 Max Ltd. The new financing has an interest rate of 12% per annum, payable quarterly, with principal payment due at maturity on March 31, 2024. As of June 30, 2023 the entire principal balance is included in the current portion of long-term debt. In October 2022 the Company entered into an additional unsecured short-term note of $100 thousand with the same lender with an interest rate of 12% per annum. The additional $100 thousand was repaid in the first quarter of 2023.

On December 15, 2022, the Company closed an additional $1 million secured financing agreement with existing shareholders which has an interest rate of 12% per annum with the principal amount due on May 31, 2024. During the first quarter of 2023 the Company completed a private placement of $4 million and paid down this secured financing with proceeds from the private placement.

Private Placements of Stock

On February 18, 2022, the Company closed an $8.5 million private placement to twenty investors, including several insiders. The Company issued 5.4 million units consisting of one common share per unit at a price of CDN $2.00, and two one-half share purchase warrants that expire two years from the date of closing. The warrants were separated into two tranches of 2.7 million warrants each, with one tranche exercisable at CAD $2.25 per warrant and the other at CAD $2.75 per warrant. Each warrant allows the holder to acquire one common share of the Company. The proceeds were used to fund the Company's 2022 work program and provide general working capital.

On March 28, 2023, the Company closed a $4 million private placement to thirteen investors. 1.9 million units were issued at a price of CAD $3.00. Each unit was comprised of one common share of the Company and one share purchase warrant entitling the holder thereof to acquire one common share at a price of CAD $4.00 per share within twelve months following the closing date. The proceeds are being used to fund a portion of the Company's 2023 work program and provide general working capital.

CAPITAL RESOURCES (continued)

Private Placements of Stock (continued)

Subsequent to September 30, 2023, the Company concluded its private placement offering that commenced in September 2023. The offering resulted in the issuance of 495,767 Units at a price of CAD$3.00 per Unit, generating gross proceeds of CAD$1.5 million (US$1 million). Each Unit is composed of one common share (Common Share) in the capital of the Company and one transferable share purchase warrant (Warrant). As of September 30, 2023 the Company had received subscription agreements totaling $625 thousand with funds received prior to closing being held as a liability prior to closing the private placement. Funds raised in the private placement are to be used for general working capital and for paying down short-term debt. Immediately following the private placement closing, short term debt of $200 thousand was repaid in November 2023.

LIQUIDITY

The Company generated its first revenues in 2020 with revenue totaling $872 thousand in fiscal year 2021 and $1.5 million in 2022 and $1.5 million in the first nine months of 2023. Although revenues are increasing , at this point in time they are still insufficient to cover all of the related operating expenses of the Company. As the Company is still in its early stages in Brazil, in order to fund its operations, capital expenditures, and recent acquisitions (including work program guarantees of $2.2 million backed by cash collateral), the Company executed the credit facilities and private placement discussed above. Management consistently seeks to make disciplined investments which add significant value for the Company's shareholders.

Management and the Board realize that additional liquidity will be required to successfully complete workplans. Management has initiated discussions with US and international financing and industry parties that are interested in Brazil and the oil and gas sector in particular. As discussed in the Risk Factors outlined herein, there can be no assurance that any of the corporate liquidity options discussed herein will provide sufficient funds to continue operations beyond 2023. Unrestricted cash available at September 30, 2023 consisted of the following:

	Total US Equivalent $	US Dollar	Paraguay Guarani	Brazil Real
Cash held in United States	$ 517	$ 517	$ -	$ -
Cash held in Paraguay	2	-	2	-
Cash held in Brazil	122	-	-	617
Totals	**$ 641**	**$ 517**	**$ 2**	**$ 617**

OFF-BALANCE SHEET ARRANGEMENTS

As at the date hereof, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial conditions of the Company including, without limitation, such considerations as liquidity and capital resources.

TRANSACTIONS WITH RELATED PARTIES

See Note 15 to the Consolidated Financial Statements for a discussion of related party transactions.

CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING POLICIES

The Consolidated Financial Statements have been prepared using the Accrual Basis of Accounting, and in accordance with IFRS. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

FINANCIAL AND OTHER SIMILAR INSTRUMENTS

The Company's financial instruments and liabilities consist of cash and cash equivalents, other current assets, accounts payable and accrued liabilities, long-term debt and derivative warrant liability. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

FINANCIAL AND OTHER SIMILAR INSTRUMENTS (continued)

The Investments as shown on the Consolidated Statement of Financial Position is a limited partnership interest in an energy investment fund, Oppenheimer Resources III Fund ("Fund"). In 2021 the Company entered an in-kind transaction whereby the Company issued 2.3 million shares of its restricted voting stock in exchange for a note receivable. The note receivable was subsequently assigned for a limited partnership interest in the Fund. The value assigned to the investment as of September 30, 2023 is $3.9 million being the market price of the restricted voting stock on the date of the original issuance of the stock at the time of the transaction in September 2021.

The Company incurs certain of its expenditures related to its exploration properties in both U.S. dollars and local currency, as applicable, and as such, is exposed to currency risk due to fluctuations in exchange rates. The Company has not undertaken any hedging activities to reduce its exposure to this risk.

PRIMARY RISK FACTORS

The Company's business consists of acquiring exploration and evaluation ("E&E") assets which focus on the exploration for, and the acquisition and development of, crude oil and natural gas resources in Latin America, primarily Brazil. There are a number of inherent risks associated with the investment in E&E assets. Many of these risks are beyond the control of the Company.

Going Concern Issues

As of September 30, 2023, the Company had working capital deficiency of $5.9 million and cash of $641 thousand, amounts insufficient to meet its expected capital needs in the next twelve months. The Company has incurred losses since inception. Management and the Board realize that the Company must generate incremental revenue and additional funds must be raised in the next twelve months in order to fund future operating costs and to pay general and administrative costs. Unless the Company is successful in generating revenue and raising additional capital and/or securing debt, it may not be able to continue as a going concern.

As discussed in the subsequent event footnote to the accompanying financials statements, the Company closed a $1 million private placement of common shares on October 31, 2023. Proceeds from the placement will be used for general working capital including paying down outstanding debt.

World Financial Markets

Significant changes in global financial markets may influence the Company's ability to raise capital. Decisions made by central banks and governments impact available liquidity in markets and influence risk tolerance for investors. These factors are out of management's control, which may negatively influence the Company's share price and the ability to raise additional capital.

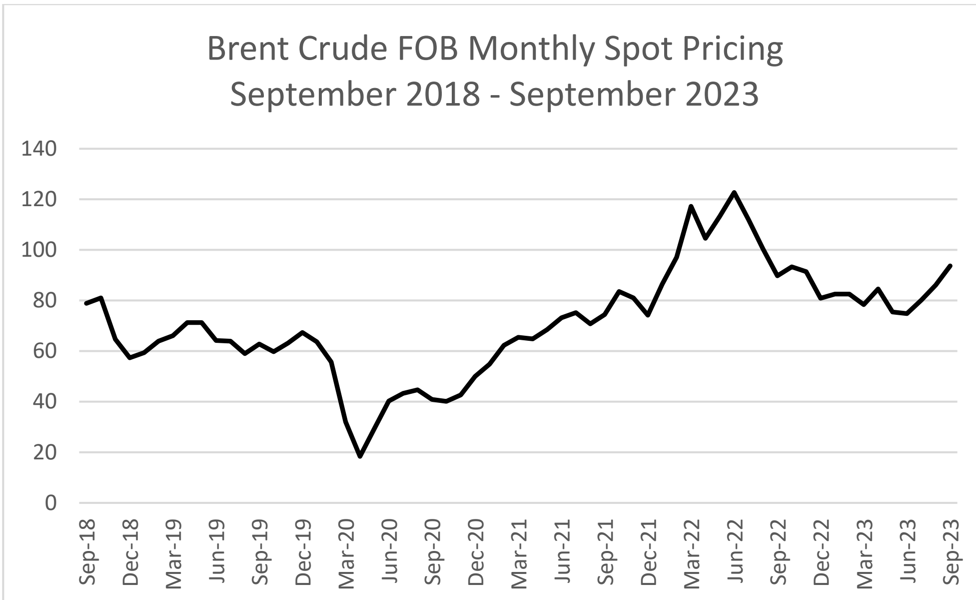
Commodity Prices

Crude oil and natural gas are volatile commodities and the changes in the price levels of these commodities will impact the future revenues and profitability of the Company. Commodity price volatility is a result of the level of, and expected changes to, the supply and demand balances of these commodities. The current state of the world economies, potential supply disruptions due to wars or terrorist activity, decisions made by the Organization of Petroleum Exporting Countries (OPEC) and other large exporters of energy commodities, and the ongoing global credit and liquidity levels all impact commodity price movements and are outside of the Company's control.

The Company's production revenue is based on Brent Crude pricing. The Company's realized price per BOE is also subject to local market discounts and taxes.

PRIMARY RISK FACTORS (continued)

Brent Crude is the world's leading price benchmark for Atlantic basin crude oils. It is used to price a substantial portion of the internationally traded crude oil supplies. Below is a chart of monthly Brent Crude FOB Spot pricing at the end of each month from September 2018 through September 2023.



(Source : https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRTE&f=M)

Brazil Operations

The Company is primarily focused on the oil and natural gas market in Brazil. In the past decade, Brazil has experienced political turmoil and corruption charges as well as normal business and economic cycles. In addition, future changes in the government, further charges of corruption or other negative events could adversely affect the Company's business.

Currency

Petro-Victory Energy Corp. is based in the British Virgin Islands with a listing in Canada on the Toronto Venture Stock Exchange. The Company's general and administrative staff are located in the USA, United Kingdom and Latin America and are primarily paid in USD. Future operations will likely be based in Brazil with revenues and costs denominated in BRL. Commodity prices are typically priced in USD. Depending on currency fluctuations, revenues and costs could change outside of the Company's control and may adversely impact operations.

The Company's reporting currency is the USD and its functional currencies are the USD and the BRL. Substantially all costs incurred in Brazil are in BRLs and the Company incurs head office costs in both USD and Canadian dollars. In each reporting period, the change in the values of the BRL and the CDN relative to the Company's reporting currency are recognized.

Acquisition and Financing Risks

Delays in the Company's ability to secure equity or debt financing, or significant changes in operating conditions in Brazil, changes in the fields acquired, or changes in the price of energy commodities may influence the Company's ability to invest in proposed work plans.

PRIMARY RISK FACTORS (continued)

Small Management Team and Board of Directors

Since inception the Company has operated with and relied upon a small Management team, its Board of Directors, and uniquely qualified business partners. As the Company grows, additional personnel will need to be added and duties assigned to other staff members. Although Management believes it is in the best interest of the Company to continue to operate very efficiently and lean, the loss of any of the management team could negatively impact the ability of the Company to continue to operate and expand. During 2022 and thus far in 2023, the Company has continued to enhance its leadership and operations team in the US and in Brazil to effectively execute its finance, administrative and field operations capabilities.

All of these factors may impact the Company's future ability to obtain equity, debt or bank financing on terms favorable to the Company, or at all. Additionally, those factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary.

NON-IFRS TERMS

All reserve references are to gross reserves as of the effective date of the applicable evaluation. Gross reserves are Petro-Victory's total working interest reserves before the deduction of any royalties. The recovery and reserve estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

In this document, "1P" means "proved reserves" that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proven reserves. The term "2P" means "probable reserves" which are those additional reserves that are less certain to be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. The term "3P" means 'possible reserves" and are those additional reserves that are less certain to be recovered than "probable" reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

"Prospect" means a geographic or stratigraphic area, in which the Company owns or intends to own one or more crude oil and natural gas interest, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one reservoir or part of a reservoir of crude oil or natural gas.

Certain financial measures referred to in this document are not prescribed by International Financial Reporting Standards ("IFRS"). Realized price is calculated by dividing gross revenue by gross production in the applicable period. Operating netback is calculated as total revenues from oil sales minus royalties, transportation costs and operating expenditures.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information as defined by Canadian securities legislation. Such forward-looking statements and information relate to possible events, conditions or financial performance of the Company based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "estimated", "intends", "plans", "projection", "outlook" and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking information however, no assurance can be given that these expectations will prove to be correct, and the forward-looking information included in this MD&A should not be unduly relied upon by investors. The forward-looking information and forward-looking statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. Readers should read this entire MD&A and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Company.