

JERICO OIL CORPORATION

(Formerly known as Dakar Resource Corp)

MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)

FOR THE 6 MONTHS ENDED JUNE 30, 2014

(Expressed in CDN\$ unless otherwise indicated)

This document is current in all material respects up to August 29, 2014.

Formerly known as Dakar Resource Corp., the company’s name became Jericho Oil Corporation (“The Company”) on February 27th 2014, and resumed trading on March 25, 2014 on the TSX Venture Exchange under the symbol “JCO”. The address of the Company is Suite 1100-888 Dunsmuir Street, Vancouver, British Columbia, Canada, V6C 3K4.

The Company was incorporated on October 21, 2010 under the Laws of British Columbia and was listed on the TSX Venture Exchange after completion of its initial public offering on May 29, 2012. The Company incorporated its 100% owned subsidiary Jericho Oil (Kansas) Corp, in the State of Delaware, United States on January 27, 2014.

This MD&A should be read in conjunction with the Interim Financial Statements of the Company for the period ended June 30, 2014, and with the annual financial statements for the period ending December 31, 2013.

On January 8, 2014 the Company filed a notice with the British Columbia Securities Commission to change the year end of the Company from September 30 to December 31. As a result, the annual financial statements include the results of the Company for the fifteen month period ending December 31, 2013.

The Company is engaged in the acquisition, exploration, and development of oil and gas properties. The recoverability of the exploration and evaluation costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development of its properties, the selling prices at the time, government policies and regulations, and future profitable production or proceeds from the disposition of such properties.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business, as noted above. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern. Such adjustments could be material.

FORWARD-LOOKING STATEMENTS

This MD&A contains or incorporates by reference forward-looking statements. All statements other than statements of historical fact included or incorporated by reference and that address activities, events or developments that we expect or anticipate may or will occur in the future are forward-looking statements. While any forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business; actual results may vary, sometimes materially, from any estimates, predictions, projections, assumptions or other suggestions of future performance herein. Undue reliance should not be placed on these forward-looking statements, which are based upon our assumptions and are subject to known and unknown risks and uncertainties and other factors, some of which are beyond our control, which may cause actual results, levels of activity and achievements to differ materially from those estimated or projected and expressed in or implied by such statements. We undertake no obligation to update publicly or revise any forward-looking statements contained herein, and such statements are expressly qualified by this cautionary statement.

NATURE OF OPERATIONS

During the first quarter of 2014:

- The Company officially changed its name to reflect its transformation into a growth oriented oil and gas company engaged in the acquisition, exploration, development and production of overlooked and undervalued oil properties.
- The Company received final approval on its National Instrument 51-101 report, on its Kansas Properties. This led to the approval of the closing of the private placement and the purchase of oil land interests, both discussed below.
- The Company raised CDN \$6.547 million by way of a non-brokered private placement of 21,826,366 units at \$0.30 per unit (the “Offering”), exceeding the Company’s original target of CDN \$5.0 million announced in the fourth quarter of 2013.
- Subsequent to the Offering, the Company announced an acquisition of a 50% interest in two, shallow, low-decline oil-producing lease packages located in Kansas, USA (“Kansas Properties”) comprised of 2,688 acres and 51 barrels of oil per day (“bopd”) for approximately CDN\$2.716 million (U.S. \$2.457 million). Crude oil production has been increasing in Kansas the last 7 years. The governmental environment is supportive of oil production in the state.
- The Company entered into a joint operating agreement with Kansas Resource Exploration & Development LLC (“KRED”), a local, highly-experienced team, as exclusive operator for the exploration and further development of the Kansas Properties

BUSINESS MODEL

Key to the Company's growth is the successful build out of its business model of purchasing and developing overlooked and undervalued oil properties across North America within legacy producing, shallow, low-risk, low-decline oil-based reservoirs. Successful implementation of Jericho's model generates high-margin, oil production from low-risk drilling opportunities. The Company partners with on-the-ground operators with deep and extensive knowledge of local basin geologies and long, successful drilling histories in each respective region. The Company targeted regions are generally located in fragmented areas, with high ratios of operators-to-production with no one producer dominating the production landscape in the region.

Moreover, the operators within the targeted regions, by and large, continue to be smaller with limited access to sufficient capital and institutional development knowledge. As a result, the Company brings a three-phase systematic asset development plan to revitalize, exploit and expand older oil fields and basins that have been underserved from both a capital and modern technological perspective. The Company believes these underserved basins exist in many areas across the United States and has identified Eastern Kansas as its first revitalization platform.

Eastern Kansas

The Company's build out strategy in Kansas includes assets across several counties of eastern Kansas including, but not limited to Johnson, Douglas, Miami, Linn, Allen, Neosho and Franklin, which bear consistent geologic attributes and are located in areas of prior and/or ongoing oil production. The Company targets sub-1,000 ft. producing zones, including the Bartlesville, Cattleman, Peru and Squirrel Sandstones within the Cherokee geologic grouping. The Company typically utilizes primary and secondary recovery techniques, particularly water flooding when appropriate, to develop new production and/or increase production and estimated ultimate recoveries.

Wells are drilled on a leasehold basis following 2.5-acre spacing intervals and 5-spot water flood patterns to optimize well productivity without interrupting the reservoir pressure required to successfully produce an asset's recoverable reserves.

Waterflooding is used to re-pressurize oil reservoirs and push oil from water injection points towards producing wells. The technique is well established as a cost-effective and reliable method for increasing the recoverable reserves and the productive lives of oil fields in Jericho's targeted region.

Once producing, wells in the region typically enjoy productive lives of 20 to 30 years subject to relatively modest decline rates of 7% to 10% per year.

Current Quarter Operations and Drilling Activity

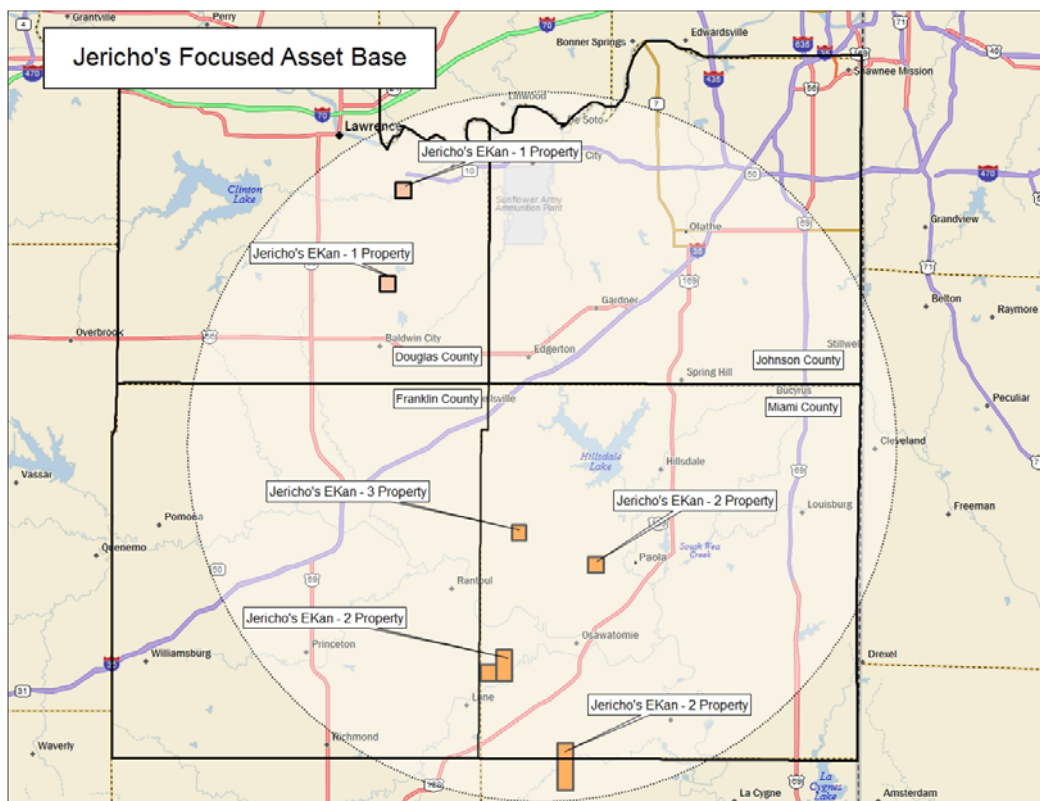
Following the Company's acquisition of two oil-producing lease packages totaling 2,688 acres located in Douglas, Miami and Linn counties during the first quarter, Jericho announced plans to drill 35 vertically-drilled producing wells and 35 water injection wells by the end of second quarter of 2014, employing four active drilling rigs. In addition to its development plan, the Company has identified approximately 20 potential workover candidates on the Kansas Properties.

Also in the second quarter, the Company acquired approximately 415 additional acres, "Ekan-3," located within 5 miles of its existing Kansas Properties. Total acreage in Jericho's land bank increased to 3100 acres during the quarter. To encompass the new acreage, the company increased its Phase I Drilling Program. The program was increased from the planned 70 total wells (35 producers and 35 water

Subsequent Operations and Drilling Activity

On August 19, 2014, subsequent to the quarter end, the company acquired an additional 475 acres for E-Kan 3, bringing its total E-Kan 3 acreage to ~890 acres and its total land bank to nearly 3,600 acres.

The close proximity of the Company’s properties should contribute to low overhead and operating costs at our operator level (See Map of Jericho’s Focused Asset Base Below). As the Company increases its oil production on the acquired properties, the Company expects its “per barrel” cost structure will benefit from economies of scale, particularly through greater utilization of its existing infrastructure over a large number of wells.



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The following table represents the exploration and evaluation asset activity to June 30, 2014 for the Company's Kansas interests in Canadian Dollars.

Acquisition Cost	June 30, 2014
Opening balance	\$ -
Acquisition Costs	2,500,622
Ending Balance	\$ 2,500,622
Exploration Costs	
Opening balance	\$ -
Development and operating costs	1,735,970
Proceeds from sale of oil	(159,599)
Ending balance	1,576,371
Total exploration and evaluation asset	4,076,993
Decommissioning Costs	
Opening balance	\$ -
Provision for decommissioning cost	176,237
Ending balance	176,237
Total E&E and Decommissioning cost	\$ 4,253,230

The provision for decommissioning costs is the net present value for the cost of rehabilitating the property at the end of its economic life. Decommissioning provisions are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. Please refer to note 10 of the Company's Interim Financial Statements for a breakdown of assumptions used in the calculation of the decommissioning provision.

As at December 31 2013, the Company decided not to pursue its prior exploration and evaluation assets, and wrote off all costs related to those interests to \$nil.

ENVIRONMENTAL LIABILITIES

The Company is not aware of any environmental liabilities or obligations associated with its previous mining property interests. The Company previously conducted its operations in a manner that is consistent with governing environmental legislation.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date of the MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

SELECTED FINANCIAL INFORMATION

SUMMARY OF QUARTERLY RESULTS (CDN\$)

Quarter Ended	06/30/14	03/31/14	12/31/13	09/30/13	06/30/13	03/31/13	12/31/12	09/30/12
Gain/(Loss) for the period	(\$1,122,502)	(\$183,494)	(\$85,097)	(\$64,803)	(\$21,096)	(\$73,681)	(\$101,890)	(\$207,382)
Basic and diluted loss per share	(\$0.04)	(\$0.01)	(\$0.01)	\$0.00	\$0.00	\$0.00	(\$0.01)	(\$0.02)

QUARTERLY ANALYSIS

The following quarterly analysis should be read in the context that the Company transformed from a mineral resource company to an oil and gas acquisition, exploration and development one in the current quarter. Quarterly comparisons at this stage do not indicate activities based on the same corporate or operational circumstances.

Jericho Oil Corporation

- The net loss for the quarter ended June 30, 2014, of \$1,122,502 included Legal fees of \$22,479, Accounting fees \$20,500 (including \$16,269 audit costs), Management fee \$36,000, Consulting fee \$82,546, Stock compensation expense \$762,224, and Investor relations fee \$138,566.
- The net loss for the quarter ended March 31, 2014, of \$183,494 consisted primarily of legal fees of \$48,292, accounting \$31,769 (including \$13,260 audit costs), Management fee \$24,000, Transfer agent, and Filing fees \$41,868.

Dakar Resource Corp.

- December 31, 2013 - \$85,097 accounting and professional fees of \$7,848, consulting fees of \$61,898, transaction cost of \$29,138
- September 30, 2013- \$38,547 Accounting and professional fees, consulting fees \$1,080
- June 30, 2013 – Accounting and professional fees of \$8,884, consulting fees of \$1,800
- March 31, 2013 – Accounting of about \$20,000, transaction costs of \$92,664, \$46,012 for a 2011 fiscal tax year exploration fund credit
- December 31, 2012 – Write off NAP Property \$36,250, accounting and professional fees of \$12,440, consulting fees of \$21,100
- September 30, 2012 – Exploration costs of \$184,435 were 80% of the costs incurred

LIQUIDITY AND FINANCIAL POSITION

The activities of the Company, principally the acquisition and development of properties prospective for

oil and gas, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants and cash flow from acquired production.

As at June 30, 2014, the Company had cash of \$2,586,256 (Dec. 31, 2013 \$354,520), total assets of \$6,929,855 (Dec. 31, 2013 \$454,613), and working capital of \$2,501,803 (Dec. 31, 2013 \$298,618).

There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all.

The Company has increasing, but as yet , limited operating revenues and therefore must utilize its current cash reserves, funds obtained from the exercise of warrants and other financing transactions to maintain its capacity to meet ongoing operating activities. As at June 30, 2014, the Company had 37,054,866 common shares issued and outstanding (June 30, 2013-15,225,000).

Liquidity requirements are managed based upon forecast cash flows to ensure that there is sufficient working capital to meet the Company's obligations. The Company's liquidity as at the date of the MD&A is sufficient to meet the Company's corporate, administrative and commitments for the next twelve months, if not earlier in the event of any unexpected events. The Company's main funding requirements are for its development of its Kansas oil interests and corporate overheads. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions and/or commodity price changes and economic downturn. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations.

TRANSACTIONS WITH RELATED PARTIES

Key management are the officers and directors of the Company. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	June 30, 2014	June 30, 2013
CEO	\$ 60,000	\$ -
Fomer CFO	-	14,025
Current CFO	24,000	-
Company of Director of the Company	66,985	-
	<u>\$ 150,985</u>	<u>\$ 14,025</u>

The company has accrued \$60,000 management fees for CEO, and current CFO and Corporate Secretary has \$12,000 payable balance for administration services to the Company during the six month period ended June 30, 2014. A current director's company received \$66,985 for legal work. On April 1, 2014, all directors and officers of the Company were granted in total 1,800,000 stock options with a related stock based compensation expense of \$403,200.

For Summary of Significant Accounting Policies (note 3), New Accounting Standards (note 4), and Critical Accounting Estimates and Judgments (note 5), please refer to the above note numbers in the Interim Financial Statements for the Company for the quarter ended June 30, 2014.

MANAGEMENT OF CAPITAL

The Company manages its common shares, options and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets or other investments and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company is not subject to any externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

To maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury invested in demand certificates of deposit with major financial institutions. In order to carry out new exploration programs the Company will need to raise additional capital through equity financing.

RISKS AND UNCERTAINTIES

FINANCIAL INSTRUMENTS

As at June 30, 2014, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and royalties' payable.

The Company classifies its cash and cash equivalents as FVTPL, its accounts receivable as loans and receivables, its accounts payable as other financial liabilities.

IFRS 7 *Financial Instruments – Disclosures*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The Company believes that the recorded value of accounts payable and royalty payable approximate their current fair values because of their nature and relatively short maturity dates or durations and current market rates for similar instruments.

The Company thoroughly examines the various financial instrument risks to which it is exposed, and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous year as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risks exposures is described below:

(a) Currency risk

As at June 30, 2014, the Company's expenditures are predominantly in US and Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. Future project exploration and development expenditures are expected to be paid primarily in US dollars. A significant change in the relative currency exchange rates between the Canadian dollar the US dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. As such, the Company is subject to risk due to potential fluctuations in the exchange rates for the US and Canadian dollar. The Company does not currently have a plan to hedge such risk in the near term.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash and cash equivalents are held at a regional US bank in the US, and a large Canadian financial institution in interest bearing accounts. The Company's accounts receivable consist mainly of US oil sales and sales tax remittances from the Government of Canada.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its management of capital as outlined in the financial statements to the consolidated financial statements. Accounts payable relating to oil and gas interests and other accounts payable and accrued liabilities are due within the current operating period.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal.

(e) Commodity Price risk

The Company is exposed to price risk with respect to commodity prices, and closely monitors commodity prices to determine the appropriate course of action to be taken. The Company is examining hedging future oil sales to limit downside risk. However, there is no guarantee that the Company will be able to implement a hedging strategy in the near term.

Share Price subject to volatility

The market price of the securities of a publicly traded issuer, in particular a junior resource issuer, is affected by many variables not directly related to exploration success, including the market for junior resource securities, economic performance, market liquidity, commodity prices, availability of alternative investments and the breadth of the public market for the securities.

Exploration, Development and Production Risks

The acquisition of leasehold interests and the selection of prospects for oil and natural gas drilling, the drilling, ownership and operation of oil and natural gas wells, and the ownership of non-operating interests in oil and natural gas properties is highly speculative. There is no certainty that prospects will produce oil or natural gas or commercial quantities of oil or natural gas. Additionally, the amount of time it will take to recover any oil or gas is unpredictable. Oil and natural gas operations involve many risks that even experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves.

Without the continual addition of new reserves, any existing reserves the Company may have at any particular time, and the production there from, will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on its ability to explore and develop properties it may have from time to time, but also on its ability to select and acquire suitable producing properties and prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the Company may determine that current markets, terms of acquisitions and participation or pricing conditions make such acquisitions or participations uneconomic.

There is no assurance commercial quantities of oil and natural gas will be discovered or acquired by the Company. Further, completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Delays and added expenses may also be caused by poor weather conditions affecting, among other things, the ability to lay pipelines or otherwise transport or market hydrocarbons. In addition, ground water, impenetrable substances, various clays and lack of porosity and permeability may hinder or restrict production or even make production impractical or impossible.

While diligent field operations and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Increased Drilling Costs Risk

In the event the level of drilling activity in Eastern Kansas returns to a high level, there could be shortages of drilling rigs, pipes and other equipment, and personnel available for operations. As a result, there could be an increase in the costs associated with the drilling of oil and natural gas wells. Such increases could result in limiting the number of wells that may be drilled as well as the profitability of each well once completed.

Global Financial Crisis

Market events and conditions, including disruptions in the international credit markets and to the financial systems, and the deterioration of global economic conditions, have caused, and may continue to cause, significant volatility to commodity prices. These conditions have, and continue to, cause a loss of confidence in the broader Canadian and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions, insurers whereby creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions have, in part, caused the broader credit markets to further deteriorate. These factors have negatively impacted corporate valuations and will influence the performance of the global economy going forward. While improved, petroleum prices are expected to remain volatile for the near future as a result of the market uncertainties over the supply and demand of these commodities due to the current state of the world economies, OPEC actions, regional conflicts and ongoing global liquidity concerns.

Operational Dependence

An unrelated party operates all of the producing wells in which the Company holds its Working Interest. As a result of the Company's lack of exclusive control over the operation of the assets or their associated costs, the Company's financial performance could be adversely affected. The Company's return on assets operated by others therefore depends upon a number of factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise, the approval of other participants, the selection of technology and risk management practices.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing

regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the Company's costs, any of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In order to conduct oil and gas operations, the Company will require licenses from various government authorities. There can be no assurance that the Company will be able to obtain all of the licenses and permits that may be required to conduct operations that it may wish to undertake.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal laws, local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it is in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material adverse effect on the Company's business, financial condition, results of operations and prospects. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

Dependence on Third Parties for Distribution and Processing

The Company relies on third parties to process and transport its oil and gas production. In the event one of these third parties is unable to provide transportation or processing services and the Company is unable to find an acceptable substitute to carry out these duties, or at lower sales price for the produced oil and gas, it may be unable to transport or process the oil and gas produced by the affected wells. In such an event, revenues to the Company may be impacted.

Geographic Risk Concentration

The current leases and corresponding production are located within a 50 mile radius of eastern Kansas. As such, the Company's properties are highly concentrated. The lack of geographical diversification means it may be more sensitive to local socio-political, legislative, economic and environmental conditions. If Eastern Kansas is affected adversely by drought or extreme weather conditions, such conditions could affect adversely the ability to produce oil and the Company will not have other assets in other geographic areas which would offset a deleterious condition in East Kansas.

Substantial Capital Requirements

The Company anticipates making capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Company's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which would be dilutive to existing shareholders

OUTLOOK

The Company's long-term goal is to evaluate and develop oil exploration properties, to seek partners for some of its properties as market conditions permit, and to continue to seek out new exploration property opportunities. There is no guarantee that the Company will discover or successfully develop such properties

SHARE CAPITAL

As at August 29, 2014, the Company had the following share capital outstanding:

Share Capital	<u>\$ 7,585,020</u>
Common shares issued	37,054,866
Stock options outstanding	3,850,000
Warrants outstanding	<u>11,149,683</u>
Total share capital outstanding	52,054,549

DIRECTORS AND OFFICERS

The Company's directors and officers as at August 29, 2014, are:

Directors:	Officers:	Title
Allen Wilson	Allen Wilson	Chief Executive Officer
Steve Kenwood	Robin Peterson	Chief Financial Officer
Nicholas W. Baxter		
Gerald R. Tuskey		

There were no resignations or appointments of Directors or Officers during the quarter.

ADDITIONAL INFORMATION

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

Board Approval

The contents of this management's discussion and analysis have been approved and its mailing has been authorized by the Board of Directors of the Company.

On Behalf Of the Board of Directors

/s/ Allen Wilson

Allen Wilson