EXMCEUTICALS INC.
Management Discussion and Analysis
For the Nine Months Ended March 31, 2021

The following management discussion and analysis ("MD&A") of the financial condition and results of operations of EXMceuticals Inc. (the "Company" or "EXM") should be read in conjunction with the consolidated financial statements for the year ended June 30, 2020, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"), and all other disclosure documents of the Company. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company and other regulatory filings can be found on SEDAR website at www.sedar.com.

The Company's head office and principal business address is 421 – 7th Avenue SW, 30th Floor, Calgary, Alberta T2P 4K9, Canada. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "EXM". In April 2019, the Company began trading on the Frankfurt Stock Exchange under the securities identification code "WKN: A2PAW2" and "ISIN: CA30207T1049".

This MD&A is dated May 30, 2021.

DESCRIPTION OF BUSINESS AND REVIEW

The accounts hereby reviewed represent a year of transition for the company. During the last year EXM's focus has shifted very materially as it has focused away from cannabis cultivation and ceased its nascent cultivation operations. EXM's core activities are now solely centred around the strategic matching of natural bioactive ingredients extracted from the cannabis plant with the needs of the nutraceutical, cosmeceutical, and pharmaceutical industries. The Company's Exmceuticals Portugal subsidiary possesses unique authorizations for cannabis importation and research and development at its specially equipped laboratory in Lisbon, Portugal. EXM's team comprises highly qualified scientific and management professionals covering all areas demanded by the cannabis industry -- organic and analytical chemistry, biology, biochemistry, genetics, compliance, IP, partnerships, and legal and regulatory issues.

Overall progress during 2020 has been significantly slower than anticipated as a result of the effects of the pandemic which have included the temporary closure of all facilities, delayed various financing discussions, as well as forcing the furloughing of all Portuguese staff. In addition to operating the licensed cannabis laboratory the Company is in the final stages of detailed planning for an industrial-scale pharmaceutical standard facility in Portugal which will complement the existing R&D lab and pilot refinery. An existing property has been secured in Setubal, south of Lisbon, which requires retro-fitting to EU-GMP / API standards. The refinery will be able to process cannabis biomass, extracts, and distillates from Portugal, as well as from international sources where the regulatory import requirements of INFARMED have been met. EXM has multiple MOU's in place which will ensure the refinery can be operated to initial capacity from day 1 and then scaled further. This refinery, once licensed, will distribute medical cannabis ingredients on a B2B basis, to produce API's and cannabis-based compounds in a reliable, consistent, and standardized process. EXM targets and maintains the highest certification standards to meet the needs of the pharmaceutical, nutraceutical, and cosmetic industries worldwide.

On May 11, 2021, the Company announced that it has signed a definitive business combination agreement with Global Cannabinoids (GC), a leading business-to-business U.S. distributor of bulk and wholesale hemp-derived cannabinoids and finished products, and has arranged a best-efforts, private placement of up to $6-million. Following the completion of the business combination, the combined company will operate under GC's corporate name.

The business combination brings together GC, which is a U.S.-based on-line platform for the production, manufacture and distribution of premium wholesale hemp oil, extract, isolates and finished products with EXMC, which will allow the combined company to expand globally with EXMC's existing Portugal hub to import, research, refine and export cannabinoids and cannabis-based products into and throughout the European Union.

The definitive agreement provides for the creation of a partnership between EXMC and GC and the contribution by EXMC and GC of all of their respective assets and liabilities (including all subsidiaries) to Global-EXMC in exchange for units of Global-EXMC. The units issued to the members of GC in exchange for the contribution of GC's assets shall be exchangeable at the option of such holders, from time to time, for an aggregate of 168 million common shares of EXMC. Prior to any exercise, EXMC shall issue to the members of GC 168,000 proportionate voting shares of EXMC where each proportionate voting share shall carry 100 votes at any meeting of the shareholders of EXMC, no economic interest in EXMC and shall be cancelled on a proportionate basis upon any exchange of the Global-EXMC exchangeable units for EXMC shares.

The transaction will result in EXMC holding approximately 33 per cent of Global-EXMC and the members of GC holding approximately 66 per cent of Global-EXMC. After giving effect to definitive agreement and not including any securities to be issued pursuant to the private placement, the holders of GC will hold 66 per cent of the votes at EXMC (through the proportionate voting shares) on a pro forma basis and existing EXMC shareholders will hold approximately 33 per cent of the votes at EXMC (through their continued ownership of EXMC shares) on a pro-forma basis. EXMC and GC expect to close the transaction before the end of the year.

The transaction has been unanimously approved by the board of directors of EXMC and the members of GC. The BCA provides for certain customary provisions, including covenants in respect of non-solicitation of alternative transactions, a right to match superior proposals, $500,000 (U.S.) reciprocal termination fees under certain circumstances. The transaction is an arm's-length transaction and is subject to a number of conditions customary to transactions of the nature of the transaction, including, but not limited to: (i) the receipt of required regulatory approvals, including, but not limited the approval of the Canadian Securities exchange; (ii) the completion of a change in the name of EXMC to Global Cannabinoids Ltd. or such other name as may be requested by GC and acceptable to the application regulatory authorities; and (iii) the completion of the board and management reconstitution.

On August 25, 2020, the Company announced it has advanced its research and development operations at its Lisbon, Portugal, facility. The company applied for a P2020 Research Grant under the project name SkanABility for a proof-of-concept study of the biological activity of cannabinoids and terpenes in cosmeceutical applications. The project seeks to demonstrate the commercial viability of cannabis compounds in cosmetic and aromatherapy products, as well as develop sustainable, functional packaging based on biodegradable cannabis materials (fibers and waxes), which will allow for the extension of product shelf-life and the preservation of formulations and properties. Additionally, the Company submitted an application to the Portuguese Government through the I&D COVID-19 initiative

and has begun investigating the virucidal efficacy of cannabis and terpene molecules in combatting SARS-CoV-2, the virus that causes COVID-19. Early indications suggest that the molecules may inhibit the virus' permanence on surfaces by attacking its cellular structure. If proven effective, these molecules could become key elements in commercial solutions used to combat the spread of the virus.

A Consortium led by EXMceuticals Portugal Lda, operating under the Project name "BioBlockCOVID" and consisting of EXMceuticals Portugal Lda, Cosmetek Lda, and the Universidade de Coimbra has been awarded EUR 302.000 by the European Regional Development Fund and the Portuguese Government to study further and develop disinfectants to combat SARScoV-2, the virus that causes COVID-19.

In September, EXMceuticals Portugal was accepted to become a member of the Portuguese Association of the Pharmaceutical Industry (APIFARMA). EXM's interests will now be represented by an Association that brings together industry, development initiatives and the broader health community. The Association helps to nurture innovation, promote resilient regulatory systems, maintain high standards of quality, uphold ethical practices and advocate sustainable health policies to meet patient and health system needs.

SIGNIFICANT EVENTS/OVERALL PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 2021 AND TO THE DATE OF THIS REPORT

A major thrust of the company's activities has also revolved around the simplification of the balance sheet of the group and the reduction of net indebtedness. In aggregate for the period ended March 31, 2021, this amounted to $5,712,350.

On July 1, 2020, the Company and the Chairman of the Company signed a new loan agreement in the principal amount of $854,171, which includes the following amounts: (i) principal and interest due and owing under the June 7, 2019 loan agreement (Note 11(b)) in the amount of $664,500 as at July 1, 2020; (ii) accrued and unpaid expenses owing to the Lender in the amount of $25,671; and (iii) accrued and unpaid interest on the $1,400,000 July 5, 2019 loan agreement (Note 11(c)). This loan bears an interest rate of 10% per annum for a term of six months.

As additional consideration for the loan, the Company agreed to issue Special Warrants to the Lender to acquire up to 427,085 common shares of the Company equal to 20% of the principal amount of the loan at a conversion rate of $0.40 per Special Warrant Share. Conversion of the Special Warrants to Special Warrant Shares is subject to the closing of one or more private placements in which the Lender will have subscribed for securities of the Company at an aggregate subscription price of no less than the principal amount of the loan. Upon closing of a Qualifying Financing, the Special Warrants automatically convert into Special Warrant Shares. The Special Warrants are otherwise not convertible, and in the event the Lender does not participate in a Qualifying Financing on or prior to the maturity date, the Special Warrants will expire.

On July 22, 2020, the Company completed a private placement of 5,180,000 units at a price of $0.20 per unit for total gross proceeds of $1,036,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.30 per share for a period of 18 months from closing of the private placement. The Company issued 71,400 units as finders' fees, with the units having the same terms as the private placement units.

On July 22, 2020, the Company issued 220,859 common shares at a price of $0.326 for financial services of $72,000 provided to the Company. The price was based on the fair value of the services provided.

On July 22, 2020, the Company issued 30,237 common shares for gross proceeds of $9,000.

On July 22, 2020, the Company issued 71,400 common shares as finders' fees on a prior private placement.

On July 24, 2020, the Company issued 23,025,855 common shares pursuant to certain loan agreements previously entered into between the Company and certain lenders to settle loans in the aggregate amount of $4,605,171.

On August 6, 2020, the Company issued 207,407 Special Warrant Shares pursuant to the July 5, 2019 loan with the Chairman of the Company on entering into a Qualifying Financing prior to the maturity of the loan for a subscription price of no less than the principal balance of the loan. The Company also issued 6,818 shares for accrued interest at a price of $1.35 per share in connection with the loan.

On August 6, 2020, the Company issued 427,085 Special Warrant Shares pursuant to the July 1, 2020 amended loan with the Chairman of the Company on entering into a Qualifying Financing prior to the maturity of the loan for a subscription price of no less than the principal balance of the loan. The Company also issued 19,367 shares for accrued interest at $0.29 per share in connection with the loan. Refer to Note 20(a).

On August 6, 2020, the Company issued 942,400 Special Warrant Shares pursuant to third-party Lenders entering into Qualifying Financing prior to the maturity of the loans for a subscription price of no less than the principal balance of the loans. The Company also issued 675,276 shares for accrued interest at $0.2175 per share, being the trading price on the date of issuance less the maximum discount allowed by the Canadian Securities Exchange, pursuant to loan agreements with third-party Lenders.

On August 13, 2020, the Company issued 219,595 common shares at a price of $0.296 per share for financial services of $65,000 provided to the Company. The price was based on the fair value of the services provided.

On August 20, 2020, the Company issued 4,139,161 common shares for the settlement of $1,378,241 in debt along with cash payments of $79,559 for total amounts settled of $1,457,800 pursuant to debt settlement agreements with various creditors.

On August 28, 2020, the Company cancelled 518,451 escrow shares.

On November 5, 2020, EXMceuticals Holdings B.V., a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with a non-related party to sell its 70% interest in PRL for proceeds of USD$150,000.

On February 3, 2021, the Company received a loan from the Chairman of the Company totalling $125,000. This loan bears interest of 20% per annum and matures on December 31, 2021.

As additional consideration for the loan, the Company also agreed to issue to the lender 1,500,000 share purchase warrants of the Company (the "Bonus Warrants") with each Bonus Warrant being exercisable at an exercise price of $0.14 per share for a period of 24 months from the closing of the loan.

In February, 2021, the Company received loans from third parties totalling $275,000. The loans bear interest of 20% per annum and mature on December 31, 2021.

As additional consideration for the loans, the Company also agreed to issue to the lenders 3,300,000 share purchase warrants of the Company (the "Bonus Warrants") with each Bonus Warrant being exercisable to the lender at an exercise price of $0.14 per share for a period of 24 months from the closing of the loans.

On February 11, 2021, the Company cancelled 3,966,931 stock options at an exercise price of $2.00 per share and recorded share-based payments of $226,706 as if vesting were accelerated.

On February 11, 2021, the Company granted 5,750,000 stock options at an exercise price of $0.25 per share and recorded share-based payments of $1,104,676

On February 11, 2021, the Company cancelled 2,000,000 RSU's previously granted to the Chairman of the Company and a former director of the Company forfeited 750,000 unvested RSU's.

On May 11, 2021, the Company announced that it has signed a definitive business combination agreement with Global Cannabinoids (GC), a leading business-to-business U.S. distributor of bulk and wholesale hemp-derived cannabinoids and finished products, and has arranged a best-efforts, private placement of up to $6-million (see "DESCRIPTION OF BUSINESS AND REVIEW" section above).

RESULTS OF OPERATIONS

Quarterly Results

The following table summarizes the results of operations for the eight most recent quarters:

	2021, Q2	2021, Q2	2021, Q1	2020, Q4
Expenses	$ 2,432,936	$ 1,647,270	$ 2,229,515	$ 2,194,257
Net loss	(2,432,936)	(1,701,179)	(2,229,515)	(3,440,480)
Total assets	1,267,565	1,131,457	1,508,800	1,251,646

	2020, Q3	2020, Q2	2020, Q1	2019, Q4
Expenses	$ 2,620,619	$ 1,861,744	$ 1,768,717	$ 3,073,293
Net loss	(2,965,107)	(1,753,744)	(1,768,717)	(3,599,867)
Total assets	2,592,963	3,416,756	2,929,956	2,458,370

During Q3 2019, the Company recorded a listing fee of $4,750,508 in related to the RTO transaction.

Results of Operations for the nine months ended March 31, 2021 Compared to the nine months ended March 31, 2020

During the nine months ended March 31, 2021, net comprehensive loss decreased to $6,363,630 compared to $6,487,568 for the nine months ended March 31, 2020. The decrease in net comprehensive loss activities is mainly made up of:

- Accounting and audit decreased to $36,164 for the nine months ended March 31, 2021 compared to $221,383 for the nine months ended March 31, 2020. This decrease is due to the reduced activity in the Company's corporate and foreign operations in the current period as compared to the same period of the prior year including the Company's former subsidiaries in Africa;
- Advertising and promotion decreased to $154,989 for the nine months ended March 31, 2021 compared to $222,137 for the nine months ended March 31, 2020. This was due to the winding-down of marketing programs commenced in the prior year as expense containment measures have been in place;
- Consulting fees decreased to $1,214,525 for the nine months ended March 31, 2021 compared to $1,961,878 for the period ended March 31, 2020 for the same reasons;
- Interest expense increased to $436,610 for the nine months ended March 31, 2021 compared to $403,446 for the nine months ended March 31, 2020 due to the Company entering various loan facilities in the second half of the prior year to fund the Company;
- Office and administration decreased to $16,505 for the nine months ended March 31, 2021 compared to $182,416 for the nine months ended March 31, 2020 due to the reduced activity in the Company's corporate and foreign operations in the current period as compared to the same period of the prior year including the Company's former subsidiaries in Africa;
- Operating expenses decreased to a recovery of $18,371 for the nine months ended March 31, 2021 compared to $1,022,776 for the nine months ended March 31, 2020 due to the curtailment of operations in Africa towards the end of the comparative period;
- Professional fees decreased to $nil for the nine months ended March 31, 2021 compared to $352,019 for the period ended March 31, 2020 for the same reasons;
- Share-based compensation increased to $4,092,851 for the nine months ended March 31, 2021 compared to $620,898 for the nine months ended March 31, 2020 as a result of the recognition for the fair value of granted and vested stock options and Restricted Share Units ("RSUs") issued during the period ended March 31, 2021;
- Travel decreased to $15,801 for the nine months ended March 31, 2021 compared to $286,215 for the nine months ended March 31, 2020 due to the curtailment of operations in Africa during the comparative period; and
- Wages and benefits decreased to $171,798 for the nine months ended March 31, 2021 compared to $766,765 for the nine months ended March 31, 2020 for the same reasons.

Results of Operations for the three months ended March 31, 2021 Compared to the three months ended March 31, 2020

The Company incurred expenses of $2,432,936 for the three months ended March 31, 2021 compared with $2,965,107 for three months ended March 31, 2020. Expense details are as follows:

- Consulting fees decreased to $299,268 for the three months ended March 31, 2021 compared to $640,753 for the three months ended March 31, 2020, due to the reduced activity in the Company's corporate and foreign operations in the current period as compared to the same period of the prior year including the Company's former subsidiaries in Africa;

- Interest expense decreased to $35,003 for the three months ended March 31, 2021 compared to $204,901 for the three months ended March 31, 2020 due to the conversion of approximately $5.9 million in loans payable to share capital during the current period;
- Office and administration decreased to $3,106 for the three months ended March 31, 2021 compared to $118,389 for the three months ended March 31, 2020 due to the reduced activity in the Company's corporate and foreign operations in the current period as compared to the same period of the prior year including the Company's former subsidiaries in Africa;
- Share-based compensation increased to $2,004,238 for the three months ended March 31, 2021 compared to $620,898 for the three months ended March 31, 2020 as a result of the recognition for the fair value of granted and vested stock options and Restricted Share Units ("RSUs") issued during the period ended March 31, 2021;
- Travel decreased to $43 for the three months ended March 31, 2021 compared to $160,470 for the three months ended March 31, 2020 due to the curtailment of operations in Africa during the comparative period; and
- Wages and benefits decreased to $7,505 for the three months ended March 31, 2021 compared to $196,817 for the three months ended March 31, 2020 for the same reasons.

Cash Flow

Operating Activities

Cash outflow from operating activities was $1,331,540 for the period ended March 31, 2021 compared to $4,332,236 for the period ended March 31, 2020. The outflow from operating activities is the result of the activities described in the results of operations above.

Investing Activities

Cash outflow from investing activities was $16,547, which is the result of the acquisition of property and equipment, for the period ended March 31, 2021 compared to $500,166 for the period ended March 31, 2020 which is the result of the acquisition of property and equipment, but at a reduced rate due to our limited cash resources.

Financing Activities

Cash inflow from financing activities was $1,288,498 for the period ended March 31, 2021 compared to $4,962,834 for the period ended March 31, 2020. The inflow from financing activities for the current period is primarily the result of share issuances, compared to the prior period which primarily resulted from loans from both third parties and related parties.

LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production and, accordingly, it does not generate cash from operations. The Company finances development and activities by raising capital from equity markets from time to time and the issuance of debt. As at March 31, 2021, the Company had cash of $341,905 (June 30, 2020 - $264,752).

As at March 31, 2021, the Company had a working capital deficiency of $2,249,507 compared to a working capital deficiency of $7,934,424 as at June 30, 2020.

Other events affecting capital resources during the period are detailed under Overall Performance.

SHARE CAPITAL

As at the date of this report, the Company had the following outstanding:

- 75,727,556 common shares.
- Warrants

Number of Warrants	Exercise Price ($)	Expiry Date
1,463,741	0.595	January 24, 2023

- Stock options

Number of Options	Exercise Price ($)	Expiry Date
5,000,000	0.40	June 25, 2030
5,750,000	0.25	February 11, 2031
10,750,000		

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and responsibility for planning and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

GOING CONCERN

The consolidated financial statements for the year ended June 30, 2020 have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of equity or other financings.

Management feels that sufficient working capital will be obtained from public share offerings to meet the Company's liabilities and commitments as they come due. The consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

CONTRACTUAL COMMITMENTS

As at March 31, 2021, the Company's only contractual commitment consisted of its lease for the lab in Portugal as recognized under IFRS 16 as a Right of Use asset and lease liability. Under the agreement, the Company is required to pay $1,721 (€1,127) per month until April 30, 2023.

CRITICAL ACCOUNTING ESTIMATES

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Please refer to the June 30, 2020 consolidated financial statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the June 30, 2020 consolidated financial statements on www.sedar.com.

RISK AND UNCERTAINTIES

As at the date of this report, the Company had no income generating assets and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, issuance of common shares in private placements and loans from related parties as required .

Risks Related to the Operations of the Company

Transportation risks

Due to the perishable nature of the Company's proposed products, the Company expects to depend on expedient and efficient third party transportation services to distribute its product. Any prolonged disruption of third party transportation services could have an adverse effect on the financial condition and results of operations of the Company. The increased costs associated with the third party transportation services to ship the Company's proposed products may also adversely impact the business of the Company and its ability to operate profitably.

Limited Operating History

The Company is new to the cannabis sector, therefore subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. The Corporation's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Corporation may incur significant costs to attract and retain them. In addition, the loss of any of the Corporation's senior management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all. The Licence is dependent on key personnel occupying senior roles as per the ACMPR requirements. Loss of key personnel named would result in delays in obtaining the licences and adversely impact the Corporation's ability to execute the business plan. The Corporation does not maintain key man insurance.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The Company intends to manage its growth effectively by continuing to implement and improve its operational and financial systems and to expand, train and manage its employee base. Mismanagement of such growth could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises

at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

For additional Risk Factors, refer to the filing statement on www.sedar.com on January 30, 2019.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

1. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

2. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

FORWARD LOOKING STATEMENTS

Forward looking statements are statements that are not historical facts and are generally, but not always identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or that events or conditions "will", "may", "could" or "should" occur. The information contained herein may contain forward looking statements including expectations of future production, cash flows or earnings. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. Factors that could cause the actual results to differ materially from those in forward looking statements, but are not limited to: the risk associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The foregoing list of assumptions is not exhaustive. Additional information on these and other factors that could affect the Company's operations or

financial results are included in the Company's reports on file with Canadian securities regulatory authorities. Events or circumstances could cause results to differ materially.