



PetroFrontier

Management's Discussion & Analysis

March 31, 2017

PetroFrontier Corp.
MANAGEMENT’S DISCUSSION & ANALYSIS (“MD&A”)

March 31, 2017

PetroFrontier Corp. (the “Corporation”) is a public company, which is engaged in the business of exploring and developing petroleum and natural gas properties in western Canada. The Corporation has a fiscal year end of December 31.

This Management’s Discussion & Analysis (“MD&A”) is a review of how the Corporation performed during the period covered by the consolidated financial statements and of the Corporation’s financial condition and future prospects. The MD&A complements and supplements the consolidated financial statements of the Corporation, and should be read in conjunction with the Corporation’s consolidated financial statements and the related notes for the three months ended March 31, 2017 and year ended December 31, 2016. The financial statements have been prepared in Canadian dollars in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), which are also generally accepted accounting principles (“GAAP”) for publicly accountable enterprises in Canada.

The Corporation’s Board of Directors has reviewed and approved the consolidated financial statements and MD&A, both of which are effective May 25, 2017.

Forward-Looking Statements

Certain statements contained in this document, including Management’s assessment of the Corporation’s future plans and operations, may constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "plan" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation, or industry results, to differ materially from those expressed or implied by such forward-looking statements. The Corporation believes the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this document should not be unduly relied upon. These statements speak only as of the date of this document.

Non-IFRS Measures

The financial data presented herein has been prepared in accordance with IFRS. The Corporation has also used certain measures of financial reporting that are commonly used as benchmarks within the oil and natural gas production industry in the following MD&A discussion. The measures are widely accepted measures of performance and value within the industry, and are used by investors and analysts to compare and evaluate oil and natural gas exploration and producing entities. Most notably, is “operating netback”. Operating netback is a benchmark used in the crude oil and natural gas industry to measure the contribution of oil and natural gas sales and is calculated by deducting royalties and operating expenses from revenues. This measure is not defined under IFRS and should not be considered in isolation or as an alternative to conventional IFRS measures. This measure and its underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of another entity. When this measure is used, it is defined as “non IFRS” and should be given careful consideration by the reader.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

Corporate Overview

On July 21, 2016, the Corporation closed the purchase of certain resource assets (the "**Kasten Assets**") located in the Cold Lake area of northeastern Alberta from Kasten Energy Inc. ("**Kasten**").

The Corporation had previously been engaged in the business of petroleum exploration in Australia, through its two wholly-owned Australian subsidiaries, PetroFrontier (Australia) Pty Ltd (formerly called Georgina Basin Energy Pty Ltd) and Texalta (Australia) Pty Ltd (collectively "PetroFrontier (Australia)"). The subsidiaries are now inactive. When used herein, the term "Corporation" includes PetroFrontier (Australia) on a consolidated basis.

The common shares of the Corporation began trade on the TSX Venture Exchange under the trading symbol "PFC".

Overview of Consolidated Financial Results

The following selected financial data is derived from the condensed interim consolidated financial statements of the Corporation and reference should be made to such financial statements for the three months ended and as at March 31:

	2017 - \$	2016 - \$
Net and comprehensive loss	415,400	689,974
Per common share (basic and diluted)	0.01	0.01
Working capital (deficiency)	(67,514)	9,617,924
Total assets	23,553,866	9,024,172
Total long-term liabilities	5,957,985	-
Shareholders' equity	14,464,216	8,927,950

The Corporation acquired the Kasten Assets on July 21, 2016. Prior to this time in 2016, the Corporation was evaluating oil and natural gas opportunities and therefore there were no oil and natural gas producing properties from which to generate revenues. The Corporation's net loss for 2017 is discussed further in the section "Discussion of Operations". The Corporation's net loss for the first quarter of 2016 was generated primarily from general and administrative expenses, including salaries, office costs and travel costs.

Outlook

The Corporation is prepared for continued volatility in the price of crude oil and tight capital markets for junior oil and gas companies throughout 2017. Consequently, management remains committed to cost control and limiting capital spending to operations with the potential to meaningfully add to the Corporation's proven and probable reserves base of approximately 8.82 million bbls valued at \$117.6 million (as set out in the reserves report effective December 31, 2016 filed on SEDAR – NPV 10% 2P), Management will look to increase production and cashflow from operations.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

Cold Lake property

The Corporation currently has interests in approximately 18 gross (16.5 net) sections arising under several joint ventures with the wholly-owned energy companies of the Cold Lake First Nations ("CLFN").

As at March 31, 2017, fourteen (14) wells have been drilled under the joint ventures establishing multi-zone productivity and substantial reserves. In the first quarter of 2017, three (3) wells were drilled for the dedicated purpose of increasing the already substantial reserves base and increasing daily production.

The Corporation successfully completed the drilling of two horizontal wells and one slant well in the first quarter of 2017.

The first horizontal well 103/04-22-061-02 W4M (previously named 110/13-15-061-02 W4M), drilled in the Sparky zone, averaged 60 barrels of oil per day ("bopd") (54 net) in March 2017. The well is currently producing at a restricted rate of approximately 60 bopd (54 net) with a fluid level of approximately 100 metres above the pump intake. Optimization of the well has been delayed due to breakup and exceptionally wet conditions. Accordingly, management expects production rates from this well to continue to improve as it cleans-up and the fluid level is drawn down.

The second horizontal well (106/14-15-061-02 W4M), drilled in the Rex zone, averaged 60 bopd (54 net) in March 2017. The well is currently producing at a restricted rate of approximately 50 bopd (45 net) with a fluid level of approximately 90 metres above the pump intake. Optimization of the well has been delayed due to breakup and exceptionally wet conditions. Similarly, management expects production rates from this well to continue to improve as it cleans-up and the fluid level is drawn down.

The third well (100/05-31-063-02 W4M) was slant drilled in the quarter and completed in the Lloydminster zone. Based on the initial rates during the first month on production of approximately 40 bbl/d of fluid, sand cuts of approximately 70% and a fluid level of over 120 metres above the pump intake, management believes the well will perform similarly to the offset well currently producing at 98 bopd and which has produced over 97,000 barrels ("bbl") of oil to date. The clean-up phase (typically taking 6 to 12 months) has been delayed due to breakup and unusually wet conditions which have prevented a necessary pump change resulting in the well being temporarily shut-in. Management expects to complete the pump change as soon as conditions permit, thereby allowing the well to continue cleaning up and the fluid level to be optimized.

Discussion of Operations

Revenue

The 2017 petroleum revenue of \$1,354,047 for the first quarter was earned from thirteen wells with production averaging 12,250 bbl per month.

The Corporation realized a price of \$36.82 per bbl for the first quarter of 2017.

PetroFrontier Corp.
MANAGEMENT’S DISCUSSION & ANALYSIS (“MD&A”)

March 31, 2017

Royalties

Royalty expense was \$110,124 for 2017 and averaged 8% of net petroleum revenue.

Production operating costs

Production operating costs were \$846,005 for the first quarter of 2017 with the prominent costs including basic sand and water (“BS&W”) handling, utilities and transportation. The first three months of the calendar year reflect higher utility costs as this includes heating costs.

General and administrative expense

The main components of the Corporation’s general and administrative expenditures are as follows:

	Three months ended	
	March 31	
	2017	2016
	(\$)	(\$)
Salaries and benefits	246,710	133,087
Severance costs	-	465,000
Office costs	98,133	54,064
Professional fees	61,916	39,515
Corporate and regulatory	-	10,961
	406,759	702,627

A comparison of first quarter costs for 2017 as compared to 2016 is not relevant as there were no oil and gas activities in 2016. The 2017 general and administrative costs reflect the costs of overseeing the oil and gas activities and managing the corporate office.

Depletion and depreciation

Depletion and depreciation was \$241,807 for the first quarter of 2017. Depletion relates to the resource assets and is based on the unit-of-production method based on proven and probable reserves.

Accretion on decommissioning liabilities

Accretion expense was \$60,054 for 2017 and reflects the increase in the liability due to the passage of time.

Share-based compensation

Share-based compensation was \$53,257 for the first quarter of 2017 and is based on the stock options issued in the third quarter of 2016.

Finance income and expense

Finance income for the first quarter of 2017 totaled \$1,823 as compared to \$15,349 in 2016. The decrease in finance income reflects use of cash, which has been invested in resource assets.

PetroFrontier Corp.
MANAGEMENT’S DISCUSSION & ANALYSIS (“MD&A”)

March 31, 2017

Finance expense was \$53,264 in 2017 and relates to the debenture interest paid or payable of \$22,500 and accretion of \$30,764.

Operating Netback

The following table details the Corporation’s operating netback for the three months ended March 31, 2017:

		Per boe
Production (bbl)	36,778	
Average daily production (bbl)	409	
Petroleum revenue	\$1,354,047	\$36.82
Royalties	\$110,124	\$2.99
Production operating costs ¹	\$807,577	\$21.96
Operating netback	\$436,346	\$11.87

(1) excludes annual lease rentals of \$38,428 related to non-producing lands

The Corporation’s operating netback doubled in the quarter compared to 2016 with production operating costs continuing to fall as fixed costs are spread over a larger production base. Production operating costs in the first quarter reflect the higher sand handling costs associated with new wells during the clean-up phase. In this regard, the Corporation drilled 3 new wells and put them on production in the first quarter. Sand handling costs make up a major portion of the production operating costs of CHOPS wells. Initial production from CHOPS wells in the Cold Lake area may contain 50% or more of BS&W during the clean-up phase (typically 6 - 12 months) whereas that BS&W cut typically drops to 10 – 20% following clean-up, resulting in lower operating costs.

The petroleum revenue for the heavy oil produced at Cold Lake is based on the WCS Benchmark price. Details of quarterly pricing is as follows:

	2017 Q1	2016 Q4
WTI - \$US/bbl	51.91	49.29
WCS Benchmark –US\$/bbl	37.33	34.97
WCS Dollar Differential –US\$/bbl	14.58	14.30
WCS % Differential	28%	30%

As with most energy companies today, an increase in crude oil prices will have a significant positive impact on bottom line operating results. Management is prepared to increase activity with a view to increasing production in a more favourable price environment which should improve the netback given the effect of spreading fixed operating costs over a larger production base.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

Cash

As at March 31, 2017, the Corporation had cash of \$1,643,297 as compared to \$3,266,614 as at December 31, 2016. The decrease in cash of \$1,583,317 relates primarily to a payment for the 2016 Kasten Assets of \$616,181, property and equipment expenditures of \$204,256 and cash used in operations of \$762,880.

Trade and other receivables

The balance of trade and other receivables of \$1,272,360 at March 31, 2017 is comprised primarily of amounts owing from oil and gas operations which have subsequently been collected.

Prepaid Expenses and Deposits

Prepaid expenses and deposits at December 31, 2016 was \$147,494 and represents prepaid insurance and mineral leases.

Trade and other payables

Trade and other payables at March 31, 2017 was \$2,836,990 and includes \$1,716,424 for capital expenditures as three wells were drilled in the first quarter.

Debenture

On July 21, 2016, the Corporation issued a 3% secured convertible debenture in the principal amount of \$3,000,000 to Kasten. The debenture matures no later than June 30, 2019, is secured against the property of the Corporation with interest payable monthly.

The Corporation may redeem the debenture prior to maturity as follows:

- By a cash payment of the principal and interest outstanding at the time or;
- By the issuance of common shares at a conversion price of \$0.157 if the Corporation has completed a minimum \$2,000,000 flow-through private placement ("FT Placement") of common shares ("FT Shares") on or before June 30, 2018 at a price of not less than \$0.157 per FT Share and the average price of WTI crude as quoted on NMYEX is the USD\$50 (for the 20-day period ending five days before the repayment date).

The holder of the debenture may convert the debenture at any time prior to maturity if the FT Placement has been completed. The conversion price into common shares shall not be less than the Market Price, as defined by regulatory authorities, on the day of conversion.

PetroFrontier Corp.
MANAGEMENT’S DISCUSSION & ANALYSIS (“MD&A”)

March 31, 2017

Net Loss

The Corporation recorded a net loss for the first quarter of 2017 of \$415,400 as compared to \$689,974 for the comparable period in 2016. Prior to the acquisition of the Kasten Assets on July 21, 2016, the Corporation was evaluating oil and natural gas opportunities and therefore there were no oil and natural gas producing properties from which to generate revenues. The 2017 net loss includes \$385,882 of non-cash expenses related to depletion and depreciation, accretion and share-based compensation expense.

Common share information

Issued – common shares

	Three months Ended March 31, 2017		Year Ended December 31, 2016	
	Number of shares	Amount (\$)	Number of shares	Amount (\$)
Common Shares				
Balance, beginning of year	149,600,768	131,202,046	79,600,768	125,952,046
Issuance on acquisition of business	-	-	70,000,000	5,250,000
Balance, end of period	149,600,768	131,202,046	149,600,768	131,202,046

At the date of this MD&A, there are 149,600,768 Common Shares outstanding.

Stock options

Officers and directors of the Corporation have been granted options to purchase common shares. Options granted have a term of five years to expiry and typically vest equally over a two-year period on the basis of 40% on the date of grant, 30% on the first anniversary date of the grant, and 30% on the second anniversary date of the grant. The exercise price of each option equals the market price or greater of the Corporation’s common shares on the date of grant.

The following table summarizes the changes to the Corporation’s option plan:

	Three months ended March 31, 2017		Year ended December 31, 2016	
	#	Weighted average exercise price	#	Weighted average exercise price
Outstanding, beginning of year	13,900,000	\$ 0.16	3,310,000	\$ 0.72
Expired	-	-	(2,210,000)	3.05
Issued	-	-	12,800,000	0.16
Outstanding, end of year	13,900,000	\$ 0.16	13,900,000	\$ 0.16
Exercisable, end of period	6,220,000	\$ 0.16	6,220,000	\$ 0.16

PetroFrontier Corp.
MANAGEMENT’S DISCUSSION & ANALYSIS (“MD&A”)

March 31, 2017

The following table summarizes stock options outstanding and exercisable under the plan at March 31, 2017.

Exercise price(\$)	Options outstanding			Options exercisable	
	Number outstanding at period end	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at period end	Weighted average exercise price
\$0.18	1,100,000	1.83	\$0.18	1,100,000	\$0.18
\$0.16	12,800,000	4.33	\$0.16	5,120,000	\$0.16

The potential diluted number of common shares outstanding is as follows:

	March 31, 2017
Common shares	149,600,768
Options	13,900,000
Total common shares (diluted)	163,500,768

Liquidity and capital resources

As at March 31, 2017, the Corporation had \$1,643,297 (December 31, 2016 - \$3,226,614) in cash.

At March 31, 2017, the Corporation had a working capital deficiency of \$67,514 (working capital at December 31, 2016 -\$2,131,682). The Corporation expects to generate sufficient funds from future operations in order to adequately fund general operations for a period of at least 12 months.

The Corporation under its joint venture agreements has commitments to drill two horizontal wells and re-activate eight wells by November 30, 2017. To date in 2017, the Corporation has drilled, completed and equipped both horizontal wells and has commenced a number of reactivations. The Corporation may be required to secure debt and/or equity financing in order to meet its 2017 capital commitments.

Financial Instruments and Other Instruments

The Corporation’s financial instruments consist of cash, trade and other receivables, trade and other payables and the debenture. It is management’s opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values, as applicable.

Credit risk

Credit risk is primarily related to the Company’s trade receivables from petroleum and natural gas marketers and the risk of financial loss if a marketer fails to meet its contractual obligation. The Company’s policy to mitigate credit risk associated with these receivables is to establish marketing relationships with large, credit worthy purchasers. The Company has not experienced any collection issues with its petroleum and natural gas marketers. As at March 31, 2017, the Company’s trade accounts receivables are all current. No default on outstanding receivables is anticipated and, as such,

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

no provision for doubtful accounts has been recorded.

Interest rate risk

At March 31, 2017 and December 31, 2016, the Corporation had no outstanding floating interest rate debt and is not exposed to interest rate risk at this time.

Liquidity risk

Liquidity risk relates to the risk the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The current fixed financial liabilities on its statement of financial position are limited to accounts payable and accrued liabilities. The Corporation anticipates it will continue to have adequate liquidity to fund its existing current financial liabilities and ongoing operating and general administrative expenses through future operations. The pace of future capital investment and the related financial liabilities incurred from the capital investment program will be dependent upon the Corporation's capacity to secure additional equity financing on favorable terms. The Corporation had no defaults or breaches on any of its financial liabilities. The Corporation expects to satisfy obligations under accounts payable in less than one year.

Summary of Quarterly Results (unaudited)

Fiscal Quarter Ended - \$	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Revenue	1,354,047	703,243	558,142	-
Net (income) loss	415,400	(1,224,829)	1,080,991	161,633
Net (income) loss per share	0.01	(0.01)	0.01	0.00

Fiscal Quarter Ended - \$	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Revenue	-	-	-	-
Net (income) loss	689,974	181,943	160,250	238,852
Net (income) loss per share	0.00	0.00	0.00	0.00

For the five quarters ended June 30, 2016, there were no oil and gas operations and the net loss results primarily from general and administrative expenses. The net income derived in the fourth quarter of 2016 results from the gain of \$2,154,428 from the acquisition of the Kasten Assets.

Material Contracts, Commitments and Contingencies

Office lease

The Corporation has an office lease that requires monthly payments of \$8,288 and expires March 29, 2019.

Drilling Commitments

Pursuant to joint venture agreements, the Corporation has commitments to drill two horizontal wells and re-activate eight wells by November 30, 2017. To date in 2017, the Corporation has drilled, completed and equipped both horizontal wells and has commenced a number of reactivations. The Corporation may be required to secure debt and/or equity financing in order to meet its 2017 capital commitments.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

Litigation

During the year ended December 31, 2014, Macquarie Capital Markets Canada Ltd. filed a Statement of Defense and Counterclaim against the Corporation in response to a Statement of Claim filed by the Corporation against Macquarie in the Court of Queen's Bench of Alberta on July 7, 2014. The Corporation has not recorded a contingent liability associated with the Counterclaim as the Corporation is of the opinion the Counterclaim is without merit. The Corporation will vigorously proceed with its lawsuit against Macquarie and its defense of the Counterclaim.

Related parties

The Corporation is related to Kasten as a director of the Corporation is also an officer of Kasten. Pursuant to the 2016 Agreement of Purchase & Sale regarding the Kasten Assets, Kasten agreed to act as a bare trustee during the transitional period which primarily included receiving the monthly cash receipts from petroleum and natural gas sales and forwarding the monies to the Corporation. During 2017, the following additional transactions occurred with Kasten:

- The \$3,000,000 debenture issued to Kasten as part of the 2016 purchase consideration remains outstanding.
- Interest expense of \$53,264 was recorded in the Condensed Statement of Loss and Comprehensive Loss related to the debenture. At March 31, 2017, interest of \$22,500 was included in Trade and other payables in the Condensed Statement of Financial Position

In addition, the Corporation acquired \$97,642 of drilling inventory from a supplier in which a director holds an interest.

Off Balance Sheet Arrangements

The Corporation had no guarantees or off-balance sheet arrangements except for certain lease agreements that were entered into in the normal course of operations. All leases are treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease. No asset or liability value has been assigned to these leases on the balance sheet as at March 31, 2017. The total future obligation from these operating leases is described above in the section "Material Contracts, Commitments and Contingencies".

Business Risks and Uncertainties

The Corporation's business is subject to risks inherent in oil and natural gas exploration and development operations. In addition, there are risks associated with the Corporation's current and future operations in the jurisdictions in which it operates. The Corporation has identified certain risks pertinent to its business including: exploration and reserve risks, drilling and operating risks, changes to regulatory requirements, costs and availability of materials and services, capital markets and the requirement for additional capital, loss of or changes to joint venture or related agreements, economic and sovereign risks, reliance on joint venture partners, market risk, volatility of future oil and natural gas prices and foreign currency risk. Management seeks to reduce such risks by employing professionals and utilizing consultants and contractors to conduct the business of the Corporation in strict compliance with corporate governance, operating, safety, health and environmental requirements and best practices. Further, in this regard, management also places great emphasis on fostering and maintaining a strong working relationship with its

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

partners, CLFN and its wholly-owned energy company, with respect to the on-going development of CLFN lands.

Limited Operating and Earnings History

The Corporation has no earnings history. The Corporation's future business plans may require significant expenditure, particularly capital expenditure, in the establishment of Canadian oil and gas operations. Any future profitability from the Corporation's business will be dependent upon the successful acquisition of new lands, and there can be no assurance that the Corporation will achieve profitability in the future.

Investment Risks

The timing and extent of revenues is variable and uncertain and accordingly the Corporation is unable to predict when, if at all, profitability will be achieved. An investment in the Common Shares is highly speculative and should only be made by persons who can afford a significant or total loss of their investment.

History of Losses

The Corporation has historically incurred losses from operations. As at March 31, 2017, the Corporation had a cumulative deficit of \$123,238,213. There can be no assurance that the Corporation will achieve profitability in the future. In addition, should the Corporation be unable to continue as a going concern, realization of assets and settlement of liabilities other than in the normal course of business may be at amounts significantly different from those in the financial statements.

Cash Flow Used In Operations

The cash flow used in operations of the Corporation for the first quarter of 2017 and 2016 was \$762,880 and \$623,195. The Corporation has a history of negative cash flow from operations and the inability of the Corporation to generate positive operating cash inflow in the future could have a material adverse impact on its business, operations and prospects.

Competition

Oil and gas exploration is intensely competitive in all phases and involves a high degree of risk. The Corporation competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties. The Corporation's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Corporation. The Corporation's ability to add reserves in the future will depend not only on its ability to explore and develop properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Competition may also be presented by alternate fuel sources.

Operational Dependence

In the future, the Corporation may enter into operations in which it is not the operator or which may be dependent or effected by the activities or conduct of third parties. As such, the Corporation may have limited ability to exercise influence or control over the operation of such assets or their associated costs, which

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

could adversely affect the Corporation's financial performance. Therefore, the Corporation's return on such operations will depend upon a number of factors that may be outside of the Corporation's control, including the timing and amount of capital expenditures, an operator's or other third party's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Reliance on Key Personnel

The Corporation's success will depend in large measure on the performance of the Board and other key personnel. The loss of services of such individuals could have a material adverse effect on the Corporation. The Corporation does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Corporation are likely to be of central importance. In addition, there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Assessments of Value of Acquisitions

Acquisitions of oil and natural gas issuers and oil and natural gas assets are typically based on engineering and economic assessments made by independent engineers and the Corporation's own assessments. These assessments will include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Corporation's control. In particular, the prices of, and markets for, oil and natural gas products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geological and engineering uncertainty

which could result in lower than anticipated production and reserves. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm that the Corporation may use for its year-end reserve evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by the Corporation. Any such instance may offset the return on and value of the Common Shares.

Estimate of Fair Market Value

There are numerous uncertainties inherent in an estimate of fair market value including many factors beyond the Corporation's control. The valuations herein represent estimates only. In general, estimates are based upon a number of variable factors and assumptions, such as engineering and geophysical information pertaining to hydrocarbon potential, current material contracts of the Corporation, production history of competitors on similar land positions, access to lands, availability, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies, and future operating costs, all of which may vary from actual results. All such estimates are to some degree speculative, and are only attempts to define the degree of speculation involved.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

Insurance

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. However, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not be insurable in all circumstances or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's financial position, results of operations or prospects. The Corporation believes it is adequately insured for normal risks.

Corporate Matters

The Corporation does not anticipate the payment of any dividends on the Common Shares for the foreseeable future. Certain directors and officers of the Corporation are also directors and officers of other oil and natural gas companies involved in natural resource exploration and development, and conflicts of interest may arise between their duties as directors and officers of the Corporation and as directors and officers of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under, the Alberta Business Corporations Act.

Title to Properties

Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. Although title reviews will be done according to industry standards prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of the Corporation. To the extent title defects do exist, it is possible the Corporation may lose all or a portion of its right, title, estate and interest in and to the properties to which the title relates.

Additional Funding Requirements

The Corporation may require additional financing from time to time in order to carry out oil and natural gas exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to have limited ability to expend the capital necessary to undertake or complete future exploration programs, forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. 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 Corporation. Moreover, future activities may require the Corporation to alter its capitalization significantly.

Dilution

The Corporation may make future acquisitions or enter into financing or other transactions involving the issuance of securities of the Corporation, which may be dilutive to existing shareholders.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

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, provincial and 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 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 the potential for 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 Corporation to incur costs to remedy such discharge.

Statutory provisions require petroleum tenement lands to be protected and rehabilitated to ensure that environmental damage is avoidable or minimal where authorized. These provisions may require approvals and consents to be obtained before certain lands may be accessed and explored. In addition, each state and territory government may impose a wide range of obligations on tenement holders to ensure that petroleum operations comply with various environmental standards and requirements.

No assurance can be given that environmental laws will not result in a curtailment of future production (if any) or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operations or prospects.

Changes in Legislation

Legislation and regulations continue to be introduced by government and government agencies concerning the security of industrial facilities, including oil and natural gas facilities. The Corporation's operations may be subject to such laws and regulations. Presently, it is not possible to accurately estimate the costs the Corporation could incur to comply with any such laws or regulations, but such expenditures could be substantial.

Income Taxes

The Corporation will file all required income tax returns and believes that it will be in full compliance with the provisions of the *Income Tax Act* (Canada) and all other applicable tax legislation. However, such returns are subject to reassessment by applicable taxation authorities. In the event of a successful reassessment of the Corporation, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

PetroFrontier Corp.
MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")

March 31, 2017

Integrity of Disclosure

The Corporation's management maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

The Board is responsible for ensuring that management fulfills its responsibilities. The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the audited consolidated financial statements. The Board approves the annual audited consolidated financial statements and MD&A on the recommendation of the Audit Committee.

The Corporation has approved a series of policy papers that include Code of Business Conduct and Ethics, Whistle Blower Policy and Procedures, Insider Trading and Reporting Guidelines, Disclosure Policy and Board Control System. Terms of References define Audit Committee and Compensation and Governance Committees. The Corporation has a defined Board Mandate. All material consultant contracts are current and approved by independent members of the Board.

Additional Information

Additional information on the Corporation can be accessed at www.sedar.com or from the Corporation's website at www.petrofrontier.com or by contacting the Corporation at PetroFrontier Corp., Suite 900, 903 – 8th Ave. S.W. Calgary, Alberta, Canada T2P 0P7.

PetroFrontier Corp.
MANAGEMENT’S DISCUSSION & ANALYSIS (“MD&A”)

March 31, 2017

Directors

Robert J. Iverach
Chairman of the Board of
Directors
Calgary, Alberta

Al Kroontje
Businessman
Calgary, Alberta

Michael Hibberd
Businessman
Calgary, Alberta

Paul Cheung
Businessman
Calgary, Alberta

Kelly Kimbley
President
Calgary, Alberta

Officers

Robert J. Iverach
Chief Executive Officer

Kelly Kimbley
President

Robert L. Gillies
Vice-President Finance,
Secretary and
Chief Financial Officer

Ulrich Wirth
Vice-President Exploration

Omar El-Hajjar
Vice-President Operations

David Orr
Vice-President Business
Development

Corporate Head Office

900, 903 – 8 Avenue S.W.
Calgary, Alberta T2R 0P7

Trustee and Transfer Agent

Computershare Trust Company

Solicitors

Burstall Winger Zammit LLP

Auditors

PricewaterhouseCoopers LLP