MANAGEMENT DISCUSSION & ANALYSIS
AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

TENTH AVENUE PETROLEUM CORP.
TSXV:TPC

www.tenthavenuepetroleum.com

The following Management's Discussion and Analysis ("**MD&A**") is a review of the operational and financial results and outlook for Tenth Avenue Petroleum Corp. ("Tenth Avenue" or the "Company") for the years ended December 31, 2023, and 2022. This MD&A is dated and based on information available as of April 22, 2024, and should be read in conjunction with the audited financial statements ("**Annual Financial Statements**") and the notes thereto for the year ended December 31, 2023, and 2022. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and Tenth Avenue's website at www.tenthavenuepetroleum.com .

The financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"). The Company uses certain Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures in this MD&A. Certain financial measures are also presented on a per bbl, per boe, per mcf or per share basis that results in those measures considered as Supplemental Financial Measures. For a discussion of those measures, including the method of calculation, please refer to the section titled "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" beginning on page 18. Unless otherwise indicated, all references to dollar amounts are in Canadian currency.

About Tenth Avenue Petroleum

Tenth Avenue is an oil & natural gas exploration, development and production company with operations in Alberta. The company's strategy is to build long-term, low decline, high netback producing properties with drilling development potential and enhanced oil recovery potential upside.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	Three months ended December 31			Twelve months ended December 31		
($)	**2023**	2022	% change	**2023**	2022	% change
Total oil, natural gas and processing revenue	**829,426**	678,056	**22**	**3,853,361**	3,923,501	**(2)**
Cash flow from operating activities	**384,247**	213,471	**80**	**411,985**	545,967	**(25)**
Per share – basic	**0.01**	0.01	**-**	**0.01**	0.02	**(50)**
Per share – diluted	**0.01**	0.01	**-**	**0.01**	0.01	**-**
Adjusted funds flow [(1)]	**(60,969)**	(59,429)	**(2)**	**(13,677)**	653,036	**(102)**
Per share – basic [(2)]	**-**	-	**-**	**-**	0.02	**(100)**
Per share – diluted [(2)]	**-**	-	**-**	**-**	0.02	**(100)**
Net loss	**(489,919)**	(2,258,883)	**78**	**(1,410,865)**	(2,412,275)	**42**
Per share – basic	**(0.01)**	(0.06)	**83**	**(0.04)**	(0.07)	**43**
Per share – diluted	**(0.02)**	(0.06)	**83**	**(0.04)**	(0.07)	**43**
Net cash deficit [(1)]	**(99,971)**	(447,949)	**78**	**(99,971)**	(447,949)	**78**
Capital expenditures	**15,627**	517,718	**(97)**	**482,554**	3,338,609	**(86)**
Weighted average shares outstanding						
Basic	**39,944,100**	36,057,305	**11**	**39,930,949**	36,057,305	**11**
Diluted	**39,944,100**	36,547,305	**9**	**39,930,949**	36,547,305	**9**
Share Trading						
High	**$0.15**	$0.29	**(48)**	**$0.27**	0.36	**(25)**
Low	**$0.10**	$0.21	**(52)**	**$0.10**	0.15	**(33)**
Trading volume	**1,210,092**	4,363,076	**(72)**	**6,235,826**	14,349,551	**(57)**
Average daily production						
Oil (bbls/d)	**96**	91	**5**	**112**	98	**14**
NGL (bbls/d)	**4**	7	**(43)**	**3**	8	**(63)**
Natural Gas (mcf/d)	**114**	78	**46**	**173**	55	**215**
Total (boe/d)	**119**	134	**(18)**	**144**	116	**24**
Average realized sale prices						
Oil ($/bbls)	**87.33**	71.94	**21**	**85.64**	102.16	**(16)**
Natural gas liquids ($/bbls)	**28.39**	26.12	**9**	**36.73**	32.00	**15**
Natural Gas ($/mcf)	**2.49**	10.35	**(76)**	**3.30**	7.04	**(53)**
Operating netback, net of derivatives ($/boe)	**12.75**	4.34	**194**	**12.70**	28.38	**(55)**
Adjusted funds flow ($/Boe)	**(5.56)**	(4.83)	**(15)**	**(0.26)**	15.48	**(102)**

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

CLIMATE CHANGE AND SUSTAINABILITY

Tenth Avenue continues to consider the impact of climate change and the financial and operational challenges this global event has had in 2023 and the continuing impact on the Company during the years ahead.

Climate Change

The Company has considered and continues to consider the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources. Emissions, carbon and other regulations impacting climate and climate related matters, are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board ("ISSB") was created on November 3, 2021, with the aim to develop globally consistent, comparable and reliable sustainability disclosure standards. On March 31, 2022, the ISSB issued exposure drafts IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". IFRS S1 "sets out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures." IFRS S2 "sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting." The exposure drafts do not currently disclose an effective date for the application of any future sustainability standards and accordingly, the Company is not able at this time to determine the impact on future financial statements or the cost of adopting any future standards that may result from these exposure drafts. In addition, the Canadian Securities Administrators have issued a proposed National Instrument ("NI 51-107") *Disclosure of Climate-related Matters*. The cost to comply with these standards, and others, that may be developed or evolved over time, is not quantifiable at this time. Significant estimates and judgments have been made by management in the preparation of the financial statements in areas of property, plant and equipment, depletion, impairment, reserves estimates, decommissioning obligations and share capital.

Sustainability

Tenth Avenue is committed to the continued advancement of our ESG practices, including our approach to sustainability, commitments to greenhouse gas emissions management and to continued Indigenous and community partnerships in the areas where we operate.

OPERATING RESULTS

Production

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
Production							
Oil (bbls/d)		**96**	91	**5**	**112**	98	**14**
NGL (bbls/d)		**4**	7	**(43)**	**3**	8	**(63)**
Natural Gas (mcf/d)		**114**	78	**46**	**173**	55	**215**
Total (boe/d)		**119**	134	**(11)**	**144**	116	**24**
Percentage of oil and NGL		**84%**	73%	**15**	**80%**	92%	**(13)**

Average production for Q4/23 decreased to 119 boe/d from Q3/23 at 142 boe/d, and also decreased by 11% when comparing to the same period in the previous year at 134 boe/d. Production in Q4/23 was decreased compared to Q3/23 due to production curtailments at its Murray Lake operations which had a minor pipeline failure at the end of September. The pipeline was remediated, and the associated disposal line abandoned during the fourth quarter. Due to the loss of water disposal capability, oil production at Murray Lake was temporarily restricted during Q4/23 by an average rate of approximately 15 bbls/d. The Company's field production averaged approximately 134 boe/d over the last four weeks of December 2023.

Average production for the year ended December 31, 2023, was 24% higher than the same period in 2022. This can be attributed to the successful workover program, which included adding additional perforations, in Murray Lake and Hays.

Revenue

		Three months ended December 31			Year ended December 31		
($)		**2023**	2022	% change	**2023**	2022	% change
Revenue							
Oil		**768,361**	600,490	**28**	**3,496,963**	3,662,247	**(5)**
Natural gas liquids		**10,032**	15,819	**(37)**	**46,621**	96,124	**(67)**
Natural Gas		**26,208**	74,362	**(65)**	**208,417**	141,018	**117**
Total		**804,601**	690,671	**16**	**3,752,001**	3,899,389	**(4)**
Average realized prices:							
Oil ($/bbls)		**87.33**	71.94	**21**	**85.64**	111.34	**(16)**
Natural gas liquids ($/bbl)		**28.39**	26.12	**9**	**36.73**	33.48	**15**
Combined average oil NGL ($/boe)		**85.05**	68.84	**24**	**84.17**	105.09	**(13)**
Natural Gas ($/mcf)		**2.49**	10.35	**(76)**	**3.30**	5.19	**(53)**
Revenue ($/boe)		**73.77**	56.19	**31**	**71.31**	100.15	**(23)**
Average benchmarks prices:							
WTI (US$/bbl)(1)		**78.18**	82.47	**(5)**	**77.61**	94.18	**(18)**
Edmonton Par (C$/bbl) (1)		**96.30**	108.00	**(11)**	**99.59**	119.76	**(17)**
AECO daily index (C$/mcf) (1)		**2.53**	6.00	**(58)**	**2.60**	5.65	**(54)**

(1) Source: GLJ

Revenue in Q4/23 was $804,601, a 22% decrease from Q3/23 revenue of $1,030,617 due to the 16% reduction in production quarter over quarter coupled with a 5% decrease in WTI and realized prices.

Q4/23 revenue of $804,601 was a 16% increase from Q4/22 revenue of $690,671 due to an increase of 15% in the percentage of oil and NGL production, 5% overall oil production increase, and offset by a 5% decrease in WTI prices.

The 4% decrease in revenue for the year ending December 31, 2023, compared to the same period in 2022, was attributable to the 13% decrease in the percentage of oil and NGL production, a 18% decrease in WTI prices, 54% decrease in AECO prices, offset by a 24% increase in overall average production for the period.

Commodity Price Risk Management

		Three months ended December 31			Year ended December 31		
($)		**2023**	2022	% change	**2023**	2022	% change
Realized gain on derivatives		**44,938**	-	**100**	**44,938**	-	**100**
Unrealized gain on derivatives		**44,134**	-	**100**	**68,603**	-	**100**
Gain on derivatives		**89,072**	-	**100**	**113,541**	-	**100**
$/boe		**8.17**	-	**100**	**2.16**	-	**100**
Percent of revenue (%)		**11%**	-	**100**	**3%**	-	**100**

During the third quarter of 2023 the Company entered into a physical crude oil agreement to hedge 50 bbls/d with a price of C$116.50 per US barrel, with a term from October 1, 2023, to March 31, 2024. No similar contract existed in 2022.

For the three months and year ended December 31, 2023, the Company realized a gain on its financial commodity contract of $44,938 (2022 - $nil). The realized gain is a result of market prices for crude oil and natural gas settling at levels below those set in the Company's derivative contract. The fair value of outstanding risk management contracts resulted in a derivative financial instrument asset and associated unrealized gain of $68,603 (2022 -$nil) as of December 31, 2023.

Subsequent to December 31, 2023, the Company entered into two additional physical crude oil agreements. The first to hedge 50 bbls/d with a price of C$104.00 per US barrel, with a term from April 1, 2024, to December 31, 2024, with the second to hedge 25 bbls/d with a price of C$108.25 per US barrel, with a term from May 1, 2024, to December 31, 2024.

The Company will continue to use physical or financial hedges to aid in minimizing future commodity price volatility.

Royalties

		Three months ended December 31			Year ended December 3130		
($)		**2023**	2022	% change	**2023**	2022	% change
Royalty expenses		**121,378**	92,856	**31**	**512,199**	687,730	**(26)**
$/boe		**11.13**	7.55	**47**	**9.73**	16.30	**(40)**
Percent of revenue (%)		**15%**	13%	**15**	**14%**	18%	**(22)**

Royalty expenses as a percentage of revenue increased to 15% in Q4/23 from 13% in Q4/22 as a result of higher realized oil prices in Q4/23. The Company expects that average royalty expenses as a percentage of revenue will continue to fluctuate with changes to oil and natural gas prices.

Net Production Expenses

		Three months ended December 31			Year ended December 31		
($)		**2023**	2022	% change	**2023**	2022	% change
Production expenses		**605,657**	565,867	**7**	**2,734,414**	2,119,956	**29**
Adj: processing income		**(24,825)**	12,615	**(297)**	**(101,360)**	(24,112)	**320**
Less: adjustments [3]		**52,465**	(33,923)	**(255)**	**52,465**	(81,539)	**(164)**
Total net production expenses [1]		**633,297**	544,559	**16**	**2,685,519**	2,014,305	**33**
Total ($/boe) [2]		**58.06**	44.30	**31**	**51.04**	47.74	**7**

1. Non-IFRS Financial Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
3. The Company incurred bad debts expense relating to processing income. Although the Company is still pursuing collection, it has adjusted this calculation for comparative purposes.

Net production expenses decreased by 4% to $633,297 in Q4/23 from $660,800 in Q3/23 and increased by 15% on a per boe basis to $58.06/boe in Q4/23 from $50.43/boe in Q3/23. The decrease in net production expense on a dollar basis can be attributed to $93,809 of clean up costs associated with the saltwater disposal line failure at Murray Lake in Q3/23

Net production expenses increased by 16% to $633,297 in Q4/23 from $544,559 in Q4/22 and by 31% on a per boe basis to $58.06/boe in Q4/23 from $44.30/boe in Q4/22. The increase in net production expense is related to increased trucking costs as a result of the saltwater disposal line failure at Murray Lake. During Q4/23, the Company also completed a workover at Vulcan.

The Company will focus on reducing production expenses in 2024.

Operating Netback

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
($/boe)							
Average realized sales		**73.77**	56.19	**31**	**71.31**	92.42	**(23)**
Royalty expenses		**(11.13)**	(7.55)	**47**	**(9.37)**	(16.30)	**(40)**
Net production expenses [1]		**(58.06)**	(44.30)	**31**	**(51.04)**	(47.74)	**7**
Operating netback [1]		**4.58**	4.34	**6**	**10.54**	28.38	**(63)**
Realized gain on derivatives		**4.12**	-	**100**	**0.86**	-	**100**
Unrealized gain on derivatives		**4.05**	-	**100**	**1.30**	-	**100**
Operating netback, net of derivatives [1]		**12.75**	4.34	**194**	**12.70**	28.38	**(55)**

1. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Operating netbacks before derivatives decreased by 76% in Q4/23 to $4.58/boe from $19.20/boe in Q3/23 while operating netbacks, net of derivatives had a smaller decrease of 39% to $12.75/boe from $21.07/boe in Q3/23. This is due to lower commodity prices as described above and increased royalties and production expenses on a per boe basis and the downtime and production curtailment associated with the pipeline failure at Murray Lake.

Operating netbacks before derivatives increased by 6% in Q4/23 compared to Q4/22 due to increased revenues offset by higher royalty and production expenses as well as the production downtime associated with the Murray Lake pipeline failure which had a large impact on production during the first half of the fourth quarter.

Operating netbacks decreased by 63% when comparing the year ended 2023 to 2022, due to lower commodity prices, an increase in net production expenses on a per boe basis, offset by a reduction in royalty rates.

During Q3/23, the Company entered a physical crude oil hedge, resulting in an additional increase to netbacks of $8.17/boe for Q4/23 and $2.16/boe for 2023, bringing operating netback, including derivatives to $12.75/boe and $12.70/boe, respectively. No hedges or derivative contracts existed in previous periods.

General and Administrative ("G&A") Expenses

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
($)							
Gross G&A expenses		**152,305**	162,389	**(6)**	**665,363**	578,435	**15**
Net G&A expenses		**152,305**	162,389	**(6)**	**665,363**	578,435	**15**
Total ($/boe)		**13.96**	13.21	**(6)**	**12.65**	13.71	**(8)**

Net G&A in Q4/23 was $152,305, a 20% decrease from Q3/23 G&A of $190,922. This is due to a reduction in engineering and accounting consulting fees in the fourth quarter.

Net G&A expenses decreased by 6% to $152,305 in Q4/23 compared to $162,389 in Q4/22 and on a per boe basis by 6% to $13.96/boe from $13.21/boe, respectively during the same periods. This is primarily due to one-time costs associated with the asset purchases in Q4/22, which did not reoccur in 2023. Net G&A expense for the year ended December 31, 2023 increased by 15% to $665,363 when compared to the same period in 2022 but decreased on a per boe basis by 8% from $13.71/boe to $12.65/boe as a result of the production increases over the same period. The Company currently does not capitalize any G&A costs.

The Company expects G&A on a per boe basis to continue to fluctuate commensurate with increases and decreases to production.

Stock-Based Compensation Expense

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
($)							
Total stock-based compensation		**(90,049)**	46,782	**(292)**	**160,218**	375,399	**(57)**
Total ($/boe)		**(8.26)**	3.81	**(317)**	**3.04**	8.90	**(66)**

Pursuant to the Company's stock option plan, the Company may grant up to an aggregate of 10% of the outstanding common shares as Options to officers, employees, directors and consultants of the Company (the "Stock Option Plan"). The Company has adopted an annual option grant program, that typically takes place during the second quarter.

During the year ended December 31, 2023, the Company issued 1,044,000 stock options at an exercise price of $0.20 compared to a grant of 2,940,000 stock options at an exercise price of $0.20 for the year ended December 31, 2022.

Due to the forfeitures 1,152,500 stock options in 2023 (2022 – nil) the fourth quarter saw a reversal of $128,512 previously expensed stock-based compensation.

Finance Expense

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
($)							
Interest on long term debt		**-**	-	**-**	**-**	4,559	**(100)**
Accretion of decommissioning obligations		**24,078**	24,124	**-**	**106,555**	71,918	**48**
Total finance expense		**24,078**	24,124	**-**	**106,555**	76,477	**39**
Total ($/boe)		**2.21**	1.96	**12**	**2.03**	1.81	**12**

Total finance expense for the Q4/23 remained consistent on a dollar basis when comparing to Q4/22, however on a per boe basis increased by 12% from $1.96 boe/d in Q4/22 to $2.21 boe/d in Q4/23. YTD/23 was higher than the same period in 2022 on both a dollar and boe basis. These increases are due to decommissioning obligations related to the Danzig acquisition, which occurred in Q4/22, therefore 2023 was the first full year of associated accretion. All long-term debt was paid off in fiscal 2022.

Depletion, Depreciation and Amortization ("DD&A")

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
($)							
DD&A		**175,628**	282,020	**(38)**	**779,598**	687,322	**13**
Total		**175,628**	282,020	**(38)**	**779,598**	687,322	**13**
DD&A ($/boe)		**16.10**	22.94	**(30)**	**14.82**	16.29	**(9)**

DD&A expenses decreased to $175,628 in Q4/23 from $198,606 in Q3/23, however increased on a per boe basis to $16.10/boe from $15.16/boe. The decrease in aggregate DD&A expense in Q4/23and corresponding increase on a per boe basis are both a result of the production downtime associated with the Murray Lake pipeline failure.

DD&A expenses of decreased to $175,628 in Q4/23 from $282,020 in Q4/22 is largely attributed to the 11% decrease in production. The year over year 9% decrease in DD&A on a per boe basis to $14.82/boe in 2023 from $16.29/boe in 2022, is related to the increase in reserves at Murray Lake.

The independent reserve report dated December 31, 2023 saw an increase in reserves in Murray Lake and a reduction in Vulcan and reduction on the non-core, non-operated Swan Hills asset. The Company therefore determined it had indicators of impairment on all two of its producing assets at Swan Hills and Vulcan and an impairment reversal at Murray Lake resulting in a total net impairment of $471,885 (2022 - $1,764,964). Contributing factors that affected impairments include a drop in benchmark WTI crude oil prices and significantly wider differentials in Q4/22, combined with increases in operating expenses particularly at Swan Hills. The Murray

Lake impairment reversal was attributable to better than expected production performance relating the to 2023 workover program and better than expected response to the waterflood.

The Company uses the most recent independent reserve evaluation as the basis for calculating depletion and as such no reserve additions have been attributed to the current year capital expenditures thus causing an increase to DD&A per boe.

Impairment/Impairment Reversal of Property, Plant and Equipment

The Company has considered the impact of the evolving worldwide demand for energy, global advancement of alternative sources of energy not sourced from fossil fuels, changes in heavy oil differentials and discounts to commodity prices received in Canada in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years.

At the end of each reporting period, the Company assesses whether there were indicators of impairment or reversals of prior period impairments. The recoverable amount was calculated as the fair value of the assets which was determined using a discounted cash flow approach based on the December 31, 2023, reserve evaluation of proved plus probable reserves provided by an independent reserve evaluation.

At December 31, 2023, the Company assessed whether there were indicators of impairment or reversals of prior period impairments. It was determined that there were indicators for impairment for the Swan Hills CGU. The discount rate used to determine the recoverable amount was 12% resulting in an impairment of $589,584 (2022 - $971,425). A change of 2%-5% in the discount rate would not have an impact on the impairment, as the asset was fully impaired.

It was determined that there was an impairment reversal for the Murray Lake - Hays CGU. The discount rate used to determine the recoverable amount was 12% resulting in an impairment reversal of $571,957. A change in the discount rate of 2%-5% would not have an impact on the reversal.

The Vulcan CGU also had indicators for impairment. The discount rate used to determine the recoverable amount was 12% resulting in an impairment of $454,258. An increase in the discount rate of 3% would result in additional impairment of $75,528.

Income Taxes

The Company did not incur income taxes in 2023 or 2022 as the Company had sufficient income tax deductions available to any shelter taxable income. As at December 31, 2023, the Company had an unrecognized deferred income tax asset of $4,926,000 million, up from $4,642,000 million at December 31, 2022.

	Rate (1)	December 31, 2023	December 31, 2022
Canadian oil and gas property expenses (COGPE)	10%	**3,920,000**	3,920,000
Canadian development expenses (CDE)	30%	**644,000**	161,000
Canadian exploration expenses (CEE)	100%	**25,000**	25,000
Undepreciated capital costs (UCC)(2)	25%	**1,712,000**	1,712,000
Share issuance costs (SIC)	5 years	**119,000**	159,000
Non-capital losses (NCL)(3)	100%	**16,503,000**	16,509,000
Total available tax pools (estimate) (4)		**22,923,000**	22,486,000

(1) The deduction rates shown represent the maximum annual deduction permitted on a declining balance basis, except for share issue costs which are deductible on a straight-line basis over 5 years.

(2) The majority of the UCC balance relates to Class 41 assets which are deductible at 25% per year.

(3) NCLs expire in years 2026 to 2043.

(4) The estimate of "available" tax pools is net of valuation allowances and excludes certain successored resource deductions inherited through acquisitions which are not expected to be available for use by The Company at this time.

Net Loss and Comprehensive Loss

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
Revenue		**797,120**	585,200	**36**	**3,454,703**	3,235,771	**7**
Expenses		**1,287,039**	2,880,069	**55**	**4,865,568**	5,679,473	**14**
Loss before other items and taxes (1)		**(489,919)**	(2,294,869)	**79**	**(1,410,865)**	(2,443,702)	**42**
Other income, net of other expense (2)		**-**	35,986	**100**	**-**	31,427	**100**
Loss before income taxes		**(489,919)**	(2,258,883)	**78**	**(1,410,865)**	(2,412,275)	**42**
Net loss and comprehensive loss		**(489,919)**	(2,258,883)	**78**	**(1,410,865)**	(2,412,275)	**42**
WA Shares outstanding – basic (000s)		**39,930,949**	36,057,305	**11**	**39,930,949**	36,057,305	**11**
WA Shares outstanding – diluted (000s)		**39,930,949**	36,547,305	**9**	**39,930,949**	36,547,305	**9**
Net loss $ per share – basic		**(0.01)**	(0.06)	**83**	**(0.04)**	(0.07)	**43**
Net loss $ per share - diluted		**(0.01)**	(0.06)	**83**	**(0.04)**	(0.07)	**43**

(1) The subtotal "income before other items and taxes" is provided to supplement the discussion below. It does not have a standardized meaning under IFRS and may not be directly comparable to other issuers.

(2) Net income reported each period is impacted by other items in addition to the profit or loss generated by the Company's routine development and production operations. These other items primarily related to A&D activities are described under the heading "Other Income (Expenses)" in this MD&A.

The Company reported a net loss of $489,919 ($0.01 per share basic and diluted) for the fourth quarter of 2023, down 79% from a net loss of $2,258,883 ($0.06 per share basic and diluted) in the same quarter of 2022. The reduction in net loss can primarily be attributed to a significantly larger impairment in 2022 of $1,764,964, versus a net impairment, including a reversal at Murray Lake, of $471,885.

Cash provided by operating activities and analysis of other non-GAAP measures

The Company's cash provided by operating activities was $384,247 for Q4/23, which is an increase of 80% compared to cash provided in the amount of $213,471 in the same period of 2022. The change in non-cash working capital varies each period based on seasonal changes in corporate activity levels, the impact of production levels and commodity prices on accrued revenue receivable, and timing of processing payments, among other factors. In fiscal 2023, the net decrease in non-cash working capital of $541,368 is primarily due to the payment of previous years accounts payable due to significant capital projects occurring in the period.

Adjusted Funds Flow and Net Loss

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
Cash flow from operating activities		**384,247**	213,471	**80**	**411,985**	545,967	**(25)**
Transaction costs		**-**	-	**-**	**-**	79,679	**(100)**
Changes in restricted cash		**2,815**	55,720	**(95)**	**2,815**	55,720	**(95)**
Change in non-cash working capital		**(447,758)**	(328,645)	**(20)**	**(428,477)**	(28,330)	**(1)**
Adjusted funds flow		**(60,969)**	(59,429)	**86**	**(13,677)**	653,036	**(102)**
Per share – basic (2)		**-**	(0.00)	**-**	**-**	0.02	**(100)**
Per share – diluted (2)		**-**	(0.00)	**-**	**-**	0.02	**(100)**
Net loss		**(489,919)**	(2,258,883)	**78**	**(1,410,865)**	(2,412,275)	**42**
Per share – basic		**(0.01)**	(0.06)	**83**	**(0.04)**	(0.07)	**43**
Per share – diluted		**(0.01)**	(0.06)	**83**	**(0.04)**	(0.07)	**43**

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.
2. Non-IFRS Financial Ratio; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Adjusted funds flow (see "Non-IFRS Financial Measures") deficit for Q4/23 was $60,969 compared to funds flow deficit of $59,429 in the same period in 2022. This is largely due to the increase revenues and benefit of the realized gain on its financial commodity contract offset with the reversal of bad debt expense.

The Company also recorded a net loss of $489,919 (($0.01) per share basic and diluted) in Q4/23 and a net loss of $1,410,865 (($0.04) per share basic and diluted) for YTD/23 compared to a net loss of $2,258,883 (($0.06) per share basic and diluted) and net loss of $2,412,275 (($0.07) per share basic and diluted) for the same periods in 2022, respectively. This is primarily due to the larger impairment loss in fiscal 2022 compared to 2023.

Cash used in Investing Activities and Capital Expenditures (Including Exploration and Evaluation Expenditures)

The Company completed two acquisitions during 2022 which added a second core development area (Vulcan) and built on the Southern Alberta assets through smaller tuck-in acquisitions.

The following table summarizes The Company's Capital Expenditures during the fourth quarter and year ended December 31, 2023, and 2022. The term Capital Expenditures does not have a standardized meaning under IFRS and may not be directly comparable to measures used by other companies. The most directly comparable GAAP measure is cash used in investing activities which was $15,627 and $927,079 for Q4/23 and YE/23, respectively (refer to reconciliation provided under the heading "Non-GAAP Measures and Ratios").

The following table summarizes capital spending, excluding non–cash items:

		Three months ended December 31			Year ended December 31		
		2023	2022	% change	**2023**	2022	% change
($)							
Intangible drilling and completion		**(3,224)**	16,034	**(120)**	**181,076**	15,719	**1,052**
Equipment and facilities		**18,51**	501,541	**(96)**	**301,478**	828,083	**(64)**
Capital expenditures, before Acquisitions (1)		**15,627**	517,575	**(97)**	**482,554**	843,802	**(43)**
Acquisitions (2)		**-**	-	**-**	**-**	2,494,807	**(100)**
Total capital expenditures		**15,627**	517,575	**(97)**	**482,554**	3,338,609	**(859)**

(1) Refer to "Non-GAAP Measures and Ratios" for the reconciliation to cash used in investing activities.
(2) Excludes non-cash consideration for acquisitions.

Capital expenditures, before Acquisitions, decreased by 78% in Q4/23 to $15,627 from $70,668 in Q3/23 and decreased by 97% from $517,575 in Q4/22. Capital expenditures during Q4/23 minor plant and battery equipment expenditures at the non-operated Swan Hills Unit.

During 2023, the Company made a significant investment replacing and upgrading its pumping equipment on all its operated core assets that are currently being waterflooded to allow for increased injection rates.

2022 Avalon Acquisition

On March 1, 2022, the Company completed an oil acquisition for total cash consideration of $2,077,547 and the issuance of 3.0 million Common Shares of the Company. Based upon The Company's share price of $0.25 per common share on the date of closing, the total consideration was approximately $2,827,547. The acquisition has been accounted for using the acquisition method based on estimated fair values using discount rates based on what a market participant would have paid.

The amounts recognized on the date of acquisition of the identifiable net assets were as follows:

	Amount
($)	
Net assets acquired:	
Oil and natural gas interests	**4,405,801**
Current assets	**245,643**
Decommissioning obligations	**(1,823,897)**
Net assets acquired	**2,827,547**
Purchase consideration:	
Cash consideration	**2,077,547**
Share consideration (3,000,000 common shares)	**750,000**
Total purchase consideration	**2,827,547**

2022 Danzig Acquisition

On September 30, 2022, the Company completed an oil acquisition for total cash consideration of $417,260 and the issuance of 1.5 million Common Shares of the Company. Based upon The Company's share price of $0.24 per common share on the closing date, the total consideration was approximately $777,260. The acquisition has been accounted for using the acquisition method based on estimated fair values using discount rates based on what a market participant would have paid.

The amounts recognized on the date of acquisition of the identifiable net assets were as follows:

	Amount
($)	
Net assets acquired:	
Oil and natural gas interests	**1,525,283**
Current assets	**37,209**
Decommissioning obligations	**(785,232)**
Net assets acquired	**777,260**
Purchase consideration:	
Cash consideration	**417,260**
Share consideration (1,500,000 common shares)	**360,000**
Total purchase consideration	**777,260**

Decommissioning Obligations

As at December 31, 2023, the Company's total decommissioning obligations are estimated to be $3,509,969. The total carrying amount of decommissioning obligations increased by $250,563 from $3,259,406 at December 31, 2022. Half of the change is attributed to a change in estimates during the last quarter of the year with the other half due to accretion.

The Company is committed to environmental stewardship and has a proactive program to address its decommissioning obligations. The Company seeks to maintain an industry leading Liability Management Rating ("**LMR**") and to obtain a leading Licensee Capability Assessment ("**LCA**") rating when the industry transitions to the LCA system.

Liquidity and Capital Resources

	December 31, 2023	December 31, 2022
($)		
Working capital surplus [(1)]	**99,971**	447,949
Working Capital Surplus	**99,971**	447,949
Quarterly adjusted funds flow	**16,692**	(115,174)
Annualized factor	**4**	4
Annualized adjusted funds flow	**66,768**	(460,696)
Net debt to annualized funds flow	**1.50**	(0.97)

1. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A.

Tenth Avenue's strategy remains focused on preserving liquidity. The Company strives to achieve this by entering into physical crude oil hedges and by managing capital spending levels as appropriate to respond to changes in realized commodity prices net of the impact of gains/losses from the hedging program. The Company has generally relied on adjusted funds flow (see "Capital Management Measures") and access to equity through private placements to fund its capital requirements and provide liquidity.

The Company had working capital surplus of $99,971 as at December 31, 2023, compared to $447,949 as at December 31, 2022 (see "Capital Management Measures").

Depending on commodity prices, the capital-intensive nature of the Company's operations may create a working capital deficiency during periods with high levels of capital investment. The Company attempts to maintain sufficient cash on hand to satisfy such potential working capital deficiencies or may require additional equity to fund acquisition activities in excess of existing cash on hand. As at December 31, 2023, the Company had $219,124 in cash on hand.

The Company will be required to raise equity or debt financing to fund the future development costs required to recover the carrying values of its property and equipment. Although the Company has been successful in completing financings in the past, there is no guarantee that the Company will be able to continue to do so in the future. As such, there is a material uncertainty related to these events and conditions that may cast doubt on the Company's ability to continue as a going concern.

If the going concern assumption made by management is not appropriate and the Company is unable to meet its obligations as they become due, the going concern basis may not be appropriate and adjustments to the carrying amounts of the Company's assets, liabilities, revenues and expenses may be necessary. Such adjustments could be material.

Long-Term Debt

As at December 31, 2023, total long-term debt was $Nil as it was fully repaid in 2022.

Share Capital

	December 31, 2023		December 31, 2022	
	Number	**Amount ($)**	Number	Amount ($)
Balance, opening	**39,844,100**	**17,652,581**	21,129,100	13,437,123
Non-brokered private placement	**-**	**-**	12,465,000	3,116,250
Issue of common shares – acquisition	**-**	**-**	4,500,000	1,110,000
Issued of common shares – Warrants exercised	**100,000**	**30,000**	700,000	52,500
Issue of common shares – Options exercised	**-**	**-**	1,050,000	78,750
Transfer on stock option exercise	**-**	**-**	-	56,495
Share issue costs	**-**	**-**	-	(198,537)
Balance, ending	**39,944,100**	**17,682,581**	39,844,100	17,652,581

	April 22, 2024	December 31, 2023	December 31, 2022
Common shares outstanding	**39,944,100**	**39,944,100**	**39,844,100**
Options outstanding	**3,132,500**	**3,537,500**	**2,940,000**
Warrants outstanding	**-**	**-**	**6,232,500**

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, land rights, the environment and contract disputes with partners or other stakeholders. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined to have an adverse affect on the Company's future operations or financial condition. As of year end, the Company has no material litigation or claims.

Off-Balance Sheet Arrangements

Except for the commitments and contingencies disclosed herein, the Company does not believe it has any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future impact of the Company's financial condition, results of operations, liquidity or capital expenditures.

Related Party Disclosures

a) Related party transactions

During the year ended December 31, 2023, the Company incurred $44,046 (2022 - 127,468) of legal fees and $nil (2022- $28,490) in share issue costs to a law firm where the corporate secretary of the Company is a partner. Approximately $19,316 of legal fees are included in the balance of accounts payable and accrued liabilities as at December 31, 2032 (2022 - $15,548).

b) Key management personnel compensation

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of a company. The Company defines its key management personnel as its officers, board of directors and corporate secretary.

The following table summarizes compensation paid or payable to key management personnel during the years ended December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Consulting fees	**184,394**	132,500
Share based compensation [1][2]	**190,370**	337,339
Total key management compensation	**374,764**	507,839

(1) During 2023, key management personnel were granted 1,000,000 stock options with an exercise price of $0.20 per share.

(2) During 2022, key management personnel were granted 2,940,000 stock options with an exercise price of $0.20 per share.

Non–IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures

This document contains the terms "net production expenses", "operating netback" and "operating field netback", which are non-IFRS financial measures, or ratios. The Company uses these measures to help evaluate The Company's performance. These non-IFRS financial measures and ratios do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This document also contains the capital management measures of "quarterly adjusted funds flow", "net debt", "working capital deficiency (surplus)", "net debt to annualized adjusted funds flow", and "year-end net debt to trailing annual adjusted funds flow".

Adjusted Funds Flow (Capital Management Measure) - Adjusted funds flow is calculated by taking cash-flow from operating activities on a periodic basis and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Tenth Avenue believes the timing of collection, payment or incurrence of these items is variable. Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Tenth Avenue uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt, pay dividends and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating income (loss) per share, which results in the measure being considered a non-IFRS financial ratio. Adjusted funds flow can also be calculated on a per boe basis, which results in the measure being considered a non-IFRS financial ratio. The calculation of the Company's adjusted funds flows is summarized starting on page 13 in the section titled "Adjusted Funds Flow and Net Income (Loss)".

Net Production Expenses, Operating Netback and Operating Field Netback (Non-IFRS Financial Measures, and Non-IFRS Financial Ratios if calculated on a per boe basis) - Management uses certain industry benchmarks, such as net production expenses, operating netback and operating field netback, to analyze financial and operating performance. Net production expenses are determined by deducting processing income primarily generated by processing third party volumes at processing facilities where the Company has an ownership interest. Under IFRS this source of funds is required to be reported as revenue. Where the Company has excess capacity at one of its facilities, it will process third party volumes as a means to reduce the cost of operating/owning the facility, and as such third party processing revenue is netted against production expenses in the MD&A. Operating netback equals total petroleum and natural gas sales, including realized gains and losses on commodity and foreign exchange derivative contracts, less royalties, net production expenses and transportation expense and can also be calculated on a per boe basis, which results in them being considered a non-IFRS financial ratio. Operating field netback equals total petroleum and natural gas sales, less royalties, net production expenses and transportation expense. These metrics can also be calculated on a per boe basis. Management considers operating netback and operating field netback important measures to evaluate Tenth Avenue's operational performance, as it demonstrates field level profitability relative to current commodity prices. The calculation of the Company's netbacks can be seen starting on page 7 in the section titled "Operating Netback".

Net Debt and Working Capital Deficiency (Surplus) (Capital Management Measure) - Tenth Avenue closely monitors our capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of our capital structure. The Company uses net debt (bank debt plus senior unsecured notes plus working capital surplus or deficiency, including the fair value of cross-currency swaps, plus government loan and excluding the fair value of financial instruments, decommissioning obligations, lease liabilities and the cash award incentive plan liability) as an alternative measure of outstanding debt. Management considers net debt an important measure to assist in assessing the liquidity of the Company.

Net Debt to Annualized Adjusted Funds Flow (Capital Management Measures) - Management uses certain industry benchmarks, such as net debt to annualized adjusted funds flow, to analyze financial and operating performance. This benchmark is calculated as net debt divided by the annualized adjusted funds flow for the most recently completed quarter. Management considers net debt to annualized adjusted funds flow as a key measure as it provides a snapshot of the overall financial health of the Company and our ability to fund capital requirements, dividend payments, pay off debt and take on new debt, if necessary, using the most recent quarter's results. The calculation of the Company's net debt to annualized adjusted funds flow can be seen starting on page 16 in the section titled "Liquidity and Capital Resources".

Selected Quarterly Information				
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Sales volumes				
Natural Gas (mcf/d)	**114**	130	187	263
Oil and NGL (bbls/d)	**100**	121	112	129
Average boe/d (6:1)	**119**	142	143	173
Product prices				
Natural gas *($/mcf)*	**2.49**	3.70	2.37	4.13
Oil and NGL *($/bbl)*	**85.05**	88.74	84.26	79.04
Oil equivalent *($/boe)*	**73.77**	78.65	69.02	65.32
($)				
Financial results				
Gross Revenues	**804,601**	1,030,617	898,217	1,018,566
Cash provided by operating activities	**384,247**	2,195	51,449	(25,906)
Adjusted funds flow [2]	**(60,696)**	60,731	(120,205)	106,493
Per share – basic	**-**	-	-	0.01
Per share – diluted	**-**	-	-	0.01
Net income (loss)	**(489,919)**	(186,240)	(466,342)	(268,364)
Per share – basic	**(0.01)**	-	(0.01)	(0.01)
Per share – diluted	**(0.01)**	-	(0.01)	(0.01)
Capital expenditures	**15,627**	70,668	257,406	138,853
Acquisitions [1]	**-**	-	-	-
Dispositions [1]	**-**	-	-	-
Total assets	**5,916,911**	6,407,268	6,617,920	6,878,804
Net debt [2]	**(99,971)**	(82,510)	(67,978)	(445,589)
Decommissioning obligations	**3,509,969**	3,163,255	3,378,739	3,378,561

1. Includes cash and non-cash consideration.
2. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of this MD&A

Material Accounting Policies

The material accounting policies and newly adopted accounting policies applied by the Company are described in note 3 of the Annual Financial Statements as at December 31, 2023.

The International Accounting Standards Board has issued a number of new accounting standards, amendments to accounting standards and interpretations that are effective for periods beginning on or after January 1, 2024. None of the accounting pronouncements are expected to have a material impact upon initial adoption. Tenth Avenue will continue to evaluate the impact of the pronouncements which will be adopted on their respective effective dates.

Significant Estimates and Judgements

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. The significant judgements, estimates and assumptions made by management are consistent with those outlined in note 2 of the Annual Financial Statements.

Business Combinations

The application of the Company's accounting policy for business combinations requires management to make certain judgments under IFRS 3 Business Combinations ("IFRS 3"), to determine whether the acquired assets meet the definition of a business combination or an asset acquisition. Where an acquisition involves a group of assets and liabilities, and does not constitute a business, the acquirer must identify and recognize the individual assets acquired and liabilities assumed. The cost of the transaction is allocated to the assets acquired and liabilities assumed on their relative fair values at the date of purchase.

Business combinations are accounted for using the acquisition method of accounting. The determination of fair value is estimated based on information available at the date of acquisition and requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of exploration and evaluation ("E&E") assets PP&E acquired generally require the most judgement and include estimates of reserves acquired, production costs, forecast benchmark commodity prices, foreign exchange rates, and discount rates. Assumptions are also required to determine the fair value of decommissioning obligations associated with the properties. Initial recognition of the fair value of deferred tax liabilities or assessment of probability to recognize deferred tax assets requires judgment. Changes in any of these assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill (or gain on acquisition resulting from a bargain purchase) in the acquisition equation. Future net income (loss) will be affected as the fair value on initial recognition impacts future depletion and depreciation expenses, as well as the risk of potential impairment in future periods.

Critical Accounting Estimates

Management is required to make judgments, assumptions, and estimates in applying its accounting policies which have significant impact on the financial results of the Company. The following outlines the accounting policies involving the use of estimates that are critical to understanding the financial condition and results of operations of the Company:

Oil and natural gas reserves – Proved reserves, as defined by the Canadian Securities Administrators in NI 51-101 with reference to the Canadian Oil and Gas Evaluation Handbook, are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

Carrying value of property, plant and equipment ("PP&E") – PP&E is measured at cost less accumulated depletion, depreciation, amortization, impairment losses and impairment reversals. The net carrying value of PP&E and estimated future development costs is depleted using the unit-of production method based on estimated proved and probable oil and natural gas reserves. Changes in estimated proved and probable oil and natural gas reserves or future development costs have a direct impact on the calculation of depletion expense.

The Company is required to use judgment when designating the nature of oil and gas activities as exploration and evaluation ("E&E") assets or development and production assets within PP&E. E&E assets and development and production assets are aggregated into CGUs based on their ability to generate largely independent cash inflows. The allocation of the Company's assets into CGUs requires significant judgment with respect to the use of shared infrastructure, geographic proximity, existence of active markets for the Company's products, the way in which management monitors operations and materiality.

Significant management judgments are required to analyze the relevant external and internal indicators of impairment or impairment reversal for a CGU with the estimate of proved and probable oil and natural gas reserves and the related cash flows being significant to the assessment.

The Company assesses PP&E for impairment or impairment reversal whenever events or changes in circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. If any such indication of impairment or impairment reversal exists, the Company performs an impairment test related to the specific CGU. The determination of the estimated recoverable amount of a CGU is based on estimates of proved and probable oil and natural gas reserves and the related cash flows. By their nature, these estimates of proved and probable oil and natural gas reserves and the related cash flows are subject to uncertainty including significant assumptions related to forecasted oil and natural gas commodity prices, forecasted production, forecasted production costs, forecasted royalty costs and forecasted future development costs and the impact on the financial statements of future periods could be material.

The Company has considered the impact of the evolving worldwide demand for carbon-based energy and global advancement of alternative energy sources in its assessment of impairment and impairment reversal on its oil and gas properties, both as indicators of impairment and impairment reversal, and in the estimates and judgments involved in testing for impairment and impairment reversal. The estimated recoverable amount of the Company's oil and gas properties was based on proved and probable reserves, the life of which is generally less than 25 years. However, the ultimate period in which global energy markets can transition from carbon-based sources to alternative energy is highly uncertain. The Company will continue to monitor its estimates as the global demand for alternative energy sources continues to evolve.

Decommissioning obligations – The decommissioning obligations are estimated based on existing laws, contracts or other policies. The fair value of the obligation is based on estimated future costs for abandonments and reclamations discounted at a risk-free rate. The costs are included in PP&E and amortized over the useful life of the asset. The liability is adjusted each reporting period to reflect the passage of time, with the accretion expense charged to net earnings, and for revisions to the estimated future cash flows. By their nature, these estimates are subject to measurement uncertainty and the impact on the financial statements could be material.

Business Risks

Tenth Avenue faces business risks, both known and unknown, with respect to its oil and gas exploration, development, and production activities that could cause actual results or events to differ materially from those forecasts. Most of these risks (financial, operational or regulatory) are not within the Company's control. While the following sections discuss some of these risks, they should not be construed as exhaustive. For additional information on the risks relating to Tenth Avenue's business, see "Risk Factors" in Tenth Avenue's Annual Information Form for the year ended December 31, 2023.

Volatility in the Petroleum and Natural Gas Industry

Market events and conditions, including global excess crude oil and natural gas supply, actions taken by OPEC+, sanctions, Russia's military actions in Ukraine, the Israeli-Hamas conflict in Gaza, other hostilities in the middle east and Taiwan, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, conflict between the United States and Iran, isolationist and punitive trade policies, increased United States shale production, sovereign debt levels, world health emergencies (including pandemics) and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices. Following extreme supply/demand imbalances in 2020, the crude oil and natural gas industry rebounded strongly throughout 2021, with oil prices reaching their highest levels in six years. However, the ongoing war in the Ukraine and price caps and sanctions on oil from Russia have impacted demand and oil prices since the second half of 2022, and the Israeli-Hamas conflict in Gaza in 2023 has caused supply disruptions and market volatility in pricing, in addition to other hostilities in the middle east and Taiwan. It is anticipated that the oil and natural gas industry will experience more pressure from investors to take meaningful strides towards combating climate change in the upcoming years, including diversifying their energy portfolios. These events and conditions have caused a significant decrease in the valuation of crude oil and natural gas companies and a decrease in confidence in the petroleum and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the petroleum and natural gas industry in Western Canada and cross-border with the United States has led to additional downward price pressure on crude oil and natural gas produced in Western Canada. The resulting price differential between Western Canadian Select crude oil, Brent and West Texas Intermediate crude oil has created uncertainty and reduced confidence in the petroleum and natural gas industry in Western Canada.

Lower commodity prices may also affect the volume and value of the Company's reserves, especially as certain reserves become uneconomic. In addition, lower commodity prices have reduced, and are anticipated to continue to reduce, the Company's cash flow which could result in a reduced capital expenditure budget. As a result, the Company may not be able to replace its production with additional reserves and both the Company's production and reserves could be reduced on a year-over-year basis. Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, the Company may have difficulty raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms. If these conditions persist, Tenth Avenue's cash flow may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that the Company will be able to realize any or sufficient proceeds from asset sales to discharge its obligations.

Credit Risk
The carrying amount of cash and trade and other receivables represent the Company's maximum credit exposure. Cash is held on deposit with Canadian chartered banks. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers and joint venture partners.

The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days, however the collection period is typically between 60 to 90 days. Amounts outstanding for more than 90 days are generally considered "past due" and relate primarily to receivables from the Company's joint venture partners. When determining whether amounts that are past due are collectible, management assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Management has reviewed past due accounts receivable balances as at December 31, 2023 and has recorded a provision reversal of $52,465 (2022 - $81,539 provision) for expected credit losses from these accounts.

Liquidity Risks
Liquidity risk is the risk that a company will not be able to meet its financial obligations as they become due. The Company's financial liabilities as at December 31, 2023 include only accounts payables and accrued liabilities.

The Company is early in its life cycle and its development program is capital intensive. From time to time, Tenth Avenue's cash flow from operating activities may not be sufficient to fund its growth objectives. As such, Tenth Avenue may be dependent on obtaining regular financings in order to continue its exploration, development and acquisition plans. Although the Company has been successful to date, there is no guarantee of obtaining future financings.

Market Risks

Market risk is the risk that changes in market conditions, such as commodity prices, interest rates and foreign exchange rates, will affect the Company's cash flows, net income, or fair value of financial instruments. Tenth Avenue's risk management objective is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns.

The Company utilizes both physical delivery sales contracts and derivative financial instruments to manage market risks. All such transactions are conducted in accordance with the Company's risk management policies.

Commodity price risk

Inherent to the business of producing oil and gas, the Company's revenue and cash provided by operating activities is subject to commodity price risk. Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices are impacted by world economic events that dictate the levels of supply and demand as well as the currency exchange rate relationship between the Canadian and U.S. dollar.

As at December 31, 2023, the Company has a commodity price risk management contract in place to protect cash flows and project economics. This instrument is not used for trading or speculative purposes. The Company has not designated its financial derivative contract as effective accounting hedges, even though the Company considers all commodity contracts to be effective economic hedges. As a result, all such financial commodity contracts are recorded on the Statements of Financial Position at fair value, with changes in the fair value being recognized as an unrealized gain or loss through the Consolidated Statements of Net Income and Comprehensive Income.

The Company had the following outstanding financial derivative commodity contracts as at December 31, 2023:

Financial WTI Crude Oil Contracts	Term	Volume (bbl/d)	CAD$/US bbl (2)
WTI Fixed Price Swap(1)	October 1, 2023 – March 31, 2024	50	$ 116.50

(1) Swaps are settled no later than the 25th of the month following the calendar month in which delivery is made.
(2) Price is adjusted by Wadf, quality and transportation

The fair value of forward swaps is determined by discounting the difference between the contracted prices and published forward price curves as at the statement of financial position date, using the remaining contracted oil volumes and a risk-free interest rate (based on published government rates). The fair value of the Company's outstanding Swaps resulted in a derivative financial instrument asset of $68,603 (December 31, 2022 – N/A).

The fair values of derivative financial instruments are designated as Level 2 in the fair value hierarchy and are highly sensitive to changes in underlying commodity prices and thereby impact profit or loss. For financial derivative commodity contracts in place at December 31, 2023, management used a weighted average commodity price of $101 CAD/US bbl. It is estimated that a $1.00 CAD per US bbl change in the forward crude oil prices used to calculate the fair value of crude oil derivatives would result in a $4,521 change in profit or loss for the year.

Inflation and Cost Management

The Company's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. Tenth Avenue's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on the Company's financial performance and funds from operations.

The cost or availability of oil and gas field equipment may adversely affect the Company's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to the Company's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on its financial performance and funds from operations.

In addition, many central banks including the Bank of Canada and U.S. Federal Reserve have taken steps to raise interest rates in an attempt to combat recent inflation. The increase in borrowing costs may impact project returns and future development decisions, which could have a material adverse effect on Tenth Avenue’s financial performance and cash flows. Rising interest rates could also result in a recession in Canada, the United States or other countries. A recession may have a negative impact on demand for crude oil and natural gas, causing a decrease in commodity prices.

Reliance on Operators, Management and Key Personnel

The operations and management of the Company require the recruitment and retention of a skilled workforce, including engineers, technical personnel and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, could result in the failure to implement the Company's business plans which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Tenth Avenue’s success will be, in part, dependent on the performance of its key managers and consultants. Failure to retain the managers and consultants, or to attract or retain additional key personnel, with the necessary skills and experience could have a materially adverse impact upon growth and profitability. Tenth Avenue does not carry key person insurance. The contributions of the existing management team to the immediate and near-term operations of the Company are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company. In addition, Tenth may not be the operator of certain oil and natural gas properties in which it acquires an interest. To the extent Tenth is not the operator of its oil and natural gas properties, it will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators.

Competition

There is strong competition relating to all aspects of the oil and natural gas industry. Tenth will actively compete for capital, skilled personnel, access to rigs and other equipment, access to processing facilities and pipeline and refining capacity and in all other aspects of its operations with a substantial number of other organizations. The A&D market has also become increasingly competitive in recent years as more energy companies, including Tenth, seek to consolidate operations to increase in scale and relevance to investors. The Company competes with other exploration and production companies, any of whom may have more financial resources, staff or political influence than the Company. Tenth Avenue’s ability to increase its production in the future will depend not only on its ability to develop the Company’s properties, but also on its ability to select other suitable assets for further exploration and development.

Political Uncertainty

The Company's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically and duration of regulatory reviews could impact Tenth Avenue’s existing operations and planned projects. This includes actions by regulators or other political factors to delay or deny necessary licenses and permits for the Company's activities or restrict the operation of third-party infrastructure that the Company relies on. Additionally, changes in environmental regulations, assessment processes or other laws, while increasing and expanding stakeholder consultation (including Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Tenth Avenue's results.

Other government and political factors that could adversely affect the Company's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect the Company's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for Logan's products.

The federal government was re-elected in 2019, but in a minority position. Another federal election was held on September 20, 2021 and the federal government was re-elected again in a minority position. The ability of the minority federal government to pass legislation will be subject to whether it is able to come to agreement with, and garner the support of, the other elected parties, most of whom are opposed to the development of the petroleum and natural gas industry. The minority federal government will also be required to rely on the support of the other elected parties to remain in power, which provides less stability and may lead to an earlier subsequent federal election. A change in federal, provincial, or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the petroleum and natural gas industry including the balance between economic development and environmental policy. Lack of political consensus, at both the federal and provincial government level, continues to create regulatory uncertainty, the effects of which become apparent on an ongoing basis, particularly with respect to carbon pricing regimes, curtailment of crude oil production and transportation and export capacity, and may affect the business of participants in the petroleum and natural gas industry, which effect could prove to be material over time.

Following former Alberta Premier Jason Kenney's resignation on May 18, 2022, Danielle Smith was elected as Premier on October 11, 2022. Shortly after her appointment, Premier Smith introduced Bill 1: The Alberta Sovereignty Within a United Canada Act (the "Sovereignty Act"). The Sovereignty Act was passed on December 8, 2022, and received Royal Assent on December 15, 2022. The Sovereignty Act, amongst other things, enables the Alberta Government to choose which federal legislation, policies or programs it will enforce in Alberta, providing an overriding right to not enforce those which the Alberta Government deems to be " harmful" to Alberta's interests or infringe on the Federal Constitution and its division of powers. The Sovereignty Act has been opposed by many, including the New Democratic Party and various Indigenous groups who have expressed concern as to how the Sovereignty Act will affect Indigenous rights and consultation obligations in Alberta. It is unclear what the effect the Sovereignty Act will have on Alberta, including the petroleum and natural gas industry, Alberta businesses and its federal and interprovincial relationships, including the application of certain federal legislation in Alberta, such as the Greenhouse Gas Pollution Pricing Act and the Impact Assessment Act and the way in which the Alberta Government may address any legislative and policy gaps created. Although the Sovereignty Act has not yet been challenged in court, it is possible the Sovereignty Act's constitutionality will be challenged.

Geopolitical Risks

The marketability and price of oil and natural gas that may be acquired or discovered by Tenth is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of crude oil and natural gas. Any particular event could result in a material change in prices and therefore result in a change of Tenth Avenue's revenue.

The level of geo-political risk escalates at certain points in time. While the specific impact on the global economy would depend on the nature of the event, in general, any major event could result in instability and volatility. Current areas of concern include: global uncertainty and market repercussions due to the spread of global pandemics; Russia's military invasion of Ukraine; the Israel-Hamas conflict, and rising civil unrest and activism globally.

Royalty Regimes

There can be no assurance that the provincial governments of the western provinces will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Company's projects. An increase in royalties would reduce the Company's earnings and could make future capital investments, or Tenth Avenue's operations, less economic. On January 29, 2016, the Government of Alberta adopted a new royalty regime which took effect on January 1, 2017. British Columbia introduced a new royalty framework in May 2022 that comes into effect on September 1, 2024, with a number of incentives ending for any wells spudded after September 1, 2022.

Indigenous Claims

Indigenous peoples have claimed Indigenous rights and title in portions of Western Canada. Claims and protests of indigenous peoples may disrupt or delay third-party operations, new development or new project approvals on the Company's properties. Tenth is not aware that any material claims have been made in respect of Tenth Avenue's assets; however, if a claim arose and was successful this could have an adverse effect on Tenth Avenue and its operations. In addition, the process of addressing such claims, regardless of the outcome, is expensive and time consuming and could result in delays which could have a negative effect on the Company's business, financial condition, results of operations and prospects, which negative effect could prove to be material over time.

Moreover, in recent years there has been increasing litigation regarding historical treaties with Indigenous peoples in Canada. Judicial interpretation of such historical treaties, and in particular the rights granted thereunder to Indigenous nations to manage and use the lands in a manner consistent with their ancestral practices, may impact future resource and industrial development in and around these lands. While the potential impact of current and future judicial decisions is uncertain at this time, it is possible that such decisions may have a negative effect on the Company's business, financial condition, results of operations and prospects, which negative effect could prove to be material over time.

Climate Change

As a result of growing international concern in respect of climate change, Tenth Avenue has seen a significant increase in focus on the transition to alternative, lower-carbon energy sources. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and environmental activists, and individuals, are increasingly seeking to develop and implement, among other things, regulatory and policy changes, changes in investment strategies and habits, and a restructuring of energy consumption profiles, which, individually and collectively are intended to or have the effect of accelerating the transition to less carbon-intensive energy sources and the reduction in global consumption of fossil fuels. Overall, Tenth Avenue is not able to estimate at this time the degree to which climate change related consumer behaviour, regulatory, climatic conditions, and climate-related transition risks could impact the Company's business, financial condition and results of operations.

Climate change may have actual or perceived adverse impacts on the Company's operations, business, and financial results, including an increase in the frequency of extreme climatic conditions. Weather and climate affect demand for crude oil and gas, and therefore, the predictability of weather and climate affects the Company's ability to accurately forecast supply and demand. In addition, the Company's operations, including exploration, production and construction operations, and the operations of major customers, suppliers and service providers, can be affected by acute and chronic physical climate risks, such as floods, forest fires, earthquakes, hurricanes, landslides, mudslides, and other extreme weather events, natural disasters or long-term shifts in weather patterns. This may result in cessation or diminishment of production, delay of exploration and development activities or delay in executing the Company's capital expenditure plans, which may require the Company to adopt increased or additional mitigation requirements.

Growing concerns over climate change have also led to an increase in climate and environment-centric disputes and litigation in various jurisdictions, including at the Federal and Provincial level, alleging various claims and registering complaints, including that energy producers contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. While many such climate change related actions are in preliminary stages of litigation, and in some cases raise novel or untested issues and causes of action, the risk that legal, societal, scientific and political developments will increase the likelihood of successful climate change related litigation against energy producers remains uncertain. The outcome and ramifications of any such litigation is uncertain and may materially impact the Company's business, financial condition or results of operations. The Company may also be subject to negative or damaging publicity associated with such matters, which may adversely affect the public sentiment and the Company's reputation, regardless of whether the Company is ultimately found responsible for claims alleged. We may be required to incur significant expenses or devote significant resources in defense against any such litigation.

Carbon Pricing Risk

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. The federal system, which was upheld by the Supreme Court of Canada, currently applies in provinces and territories without their own system that meets federal stringency standards. Provinces with their own system are subject to continued compliance with the federal system. There is no guarantee that a province with a system that currently applies will meet, or continue to meet, federal stringency standards. The taxes placed on carbon emissions may have the effect of decreasing the demand for crude oil and natural gas products and at the same time, increasing the operating expenses of crude oil and natural gas companies, each of which may have a material adverse effect on the Company's revenue. Further, the imposition of carbon taxes puts the Company at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

Environmental Risks

Oil and gas exploration and production can involve environmental risks such as litigation, physical and regulatory risks. Physical risks include the pollution of the environment, climate change and destruction of natural habitat, as well as safety risks such as personal injury. Logan works hard to identify the potential environmental impacts of its new projects in the planning stage and during operations. The Company conducts its operations with high standards in order to protect the environment, its employees and consultants and the general public. Tenth Avenue maintains current insurance coverage for comprehensive and general liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an ongoing basis and adjusted as necessary to reflect current corporate requirements, as well as industry standards and government regulations. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds the Company has available and result in financial distress.

The oil and gas industry is subject to environmental regulation under a variety of Canadian federal, provincial, territorial and municipal laws and regulations, all of which are subject to governmental review and revision from time to time. The regulations in Canada are some of the most stringent and progressive in the world. Such regulations provide for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain crude oil and natural gas industry operations, including the abandonment and reclamation of well, facility and pipeline sites. Compliance with such regulations can require significant expenditures by the businesses operating and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability and the imposition of material fines and penalties. Further to these specific, known requirements, future changes to environmental legislation, including legislation for air pollution and greenhouse gas emissions, may impose further requirements on operators and other companies in the crude oil and natural gas industry. The Company works with applicable federal, provincial and municipal regulators to ensure compliance.

Evolving Corporate Governance, Sustainability and Reporting Framework
The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both compliance costs and the risk of noncompliance, which could have an adverse effect on the price of the Company's securities. Tenth is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSXV and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. Further, the Company's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Information Technology Systems and Cyber-Security
Tenth has become increasingly dependent upon the availability, capacity, reliability and security of its information technology infrastructure, and its ability to expand and continually update this infrastructure, to conduct daily operations. Various information technology systems are relied upon to estimate reserve quantities, process and record financial data, manage the land base, manage financial resources, analyze seismic information, administer contracts and communicate with employees and third-party partners.

The Company is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of Tenth Avenue’s information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to its business activities or competitive position. In addition, cyber-phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If the Company becomes a victim to a cyber-phishing attack it could result in a loss or theft of the Company's financial resources or critical data and information or could result in a loss of control of the Company's technological infrastructure or financial resources. The Company's personnel are often the targets of such cyber-phishing attacks, as they are and will continue to be targeted by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to the Company's computers. These emails appear to be legitimate emails, but direct recipients to fake websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

The Company maintains policies and procedures that address and implement personal protocols with respect to electronic communications and electronic devices and conducts annual cyber security risk assessments. Despite the Company's efforts to mitigate such phishing attacks through education and training, phishing activities remain a serious problem that may damage Tenth Avenue’s information technology infrastructure. The Company applies technical and process controls in line with industry-accepted standards to protect its information assets and systems, However, these controls may not adequately prevent cyber-security breaches.

Disruption of critical information technology services, or breaches of information security, could have a negative effect on the Company's performance and earnings, as well as reputation. Tenth applies technical and process controls in line with industry-accepted standards to protect information assets and systems; however, these controls may not adequately prevent cyber-security breaches. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations.

Unit Cost Calculation

For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel, unless otherwise stated. A boe conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion complies with the Canadian Securities Administrators' National Instrument 51–101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Boe may be misleading, particularly if used in isolation.

Abbreviations

AECO	Natural gas storage facility located at Suffield, AB
bbl	Barrel
bbl/d	barrels per day
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
CGU	cash-generating unit
DTH	dekatherm
GJ	Gigajoule
IFRS	International Financial Reporting Standards
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmbtu	one million British thermal units
NGL	natural gas liquids
WCS	Western Canadian Select
WTI	West Texas Intermediate

Forward-Looking Statements

Certain statements contained within this MD&A constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavour", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe", "strive" and similar expressions or the negative of such terms or other comparable terminology. The Company believes that the expectations reflected in such forward-looking statements are reasonable, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Without limitation, this MD&A contains forward-looking statements pertaining to:

- the intentions of management and the Company;
- the Company's commitment to maintaining financial flexibility and liquidity;
- the Company's business strategy, objectives, strength and focus, including with respect to acquisitions;
- the effects of the Company's acquisitions on the Company's strategy, land holdings and profitability, including, but not limited to, the Swan Hills acquisition, the Avalon acquisition, and the Danzig acquisition;
- the impacts on the Company of the military conflict between Russia and Ukraine;

- applications and grants under the Alberta Site Rehabilitation Program ("SRP"), the Federal Emissions Reduction Fund ("ERF"), the Alberta Methane Technology Information Program ("MTIP"), including estimates of expected funding, and repayment timing thereof, as applicable;
- the Company's commitment to advancing ESG practices, managing greenhouse gas emissions and to continued Indigenous and community partnerships in the areas where it operates;
- the potential impact of ESG disclosure and reporting policies and standards imposed by the ISSB and proposed NI 51-107;
- expectations regarding the estimated recoverable amount of the Company's oil and gas properties, royalty rates as a percentage of revenue, and committed capital spending to develop the GORR lands and timing thereof;
- expectations relating to future realized commodity prices, volatile commodity prices, royalty rates and oil price differentials and the effects thereof, including with respect to revenue, earnings and stability to oil pricing;
- the Company's diversification strategy, including the Company's third-party gas sales contracts, and the effects thereof on risk mitigation, price exposure and realized price improvements;
- the Company's plans in respect of returns of capital, including base dividend and enhanced return programs;
- expectations relating to cash tax, tax pools, and deferred tax assets, including in respect of deferred income tax;
- contractual obligations and commitments;
- estimates used to calculate decommissioning obligations and depletion of PP&E; and
- the Company's expectations regarding inflation and interest rates. With respect to the forward-looking statements contained in this MD&A, Tenth Avenue has made assumptions regarding, among other things:
- future commodity prices, price differentials and the actual prices received for the Company's products;
- expected net production expenses and transportation expenses;
- estimated proved and probable oil and natural gas reserves;
- the effects of heavy volume apportionment and fluctuating diluent costs on the heavy oil market in Alberta;
- the ability to obtain equipment and services in the field in a timely and efficient manner;
- the ability to add production and reserves through acquisition and/or drilling at competitive prices;
- the timing of anticipated future production additions from the Company's properties and acquisitions;
- the realization of anticipated benefits of acquisitions, including the acquisitions and the related drilling programs;
- the ability to explore and realize benefits from exposure to diversified gas markets;
- drilling results, including field production rates and decline rates;
- the performance of the waterflood projects;
- the continued application of horizontal drilling and fracturing techniques and pad drilling;
- the continued availability of capital and skilled personnel;
- the ability to obtain financing on acceptable terms;
- the accuracy of Tenth Avenue's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation;
- the impact of increasing competition;
- the ability of the Company to secure adequate product transportation;
- the ability to enter into future commodity derivative contracts on acceptable terms;
- the continuation of the current tax, royalty and regulatory regime;
- the volatility in commodity prices and oil price differentials and the resulting effect on Tenth Avenue's revenue, cash provided by operating activities, adjusted funds flows and earnings;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- the ability to adjust capital spending relative to commodity prices and use financial derivatives and physical delivery contracts to manage fluctuations in commodity prices, foreign exchange rates and interest rates;

- the ability to maintain financial flexibility;
- the impact of inflation on costs and interest rates.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated or implied by such forward-looking statements due to a number of factors and risks. These include:

- the material uncertainties and risks described under the headings "Unit Cost Calculation", "Non-IFRS Financial Measures", "Critical Accounting Estimates", "Disclosure Controls and Internal Controls over Financial Reporting", "Business Risks", "Financial Risks", "Operational Risks" and "Regulatory Risks";
- the material assumptions and observations described under the headings "Operational and Financial Highlights", "Sustainability", "Production", "Petroleum and Natural Gas Sales", "Royalties", "Net Production Expenses", "Transportation Expense", "Operating Netback", "General and Administrative ("G&A") Expenses", "Stock-Based Compensation Expense", "Finance Expense", "Depletion, Depreciation and Amortization ("DD&A")", "Impairment (Impairment Reversal) of Property, Plant and Equipment", "Income Taxes", "Adjusted Funds Flow and Net Income (Loss)", "Capital Expenditures (Including Exploration and Evaluation Expenditures)", "Acquisitions and Dispositions", "Share Capital", "Liquidity and Capital Resources", "Bank Debt", "Commitments", "Contingency" and "Selected Quarterly Information";
- the risks associated with the oil and gas industry in general, such as operational risks in development, exploration and production and including continued weakness and volatility in commodity prices and petroleum product prices;
- the actions of OPEC and non-OPEC oil and gas exporting countries to set production levels and the influence thereof on oil prices and global demand;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating proved and probable oil and natural gas reserves and the ability of the Company to realize value from its properties;
- geological, technical, drilling and processing problems;
- facility and pipeline capacity constraints and access to processing facilities and to markets for production;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- credit worthiness of counterparties to commodity, foreign exchange and interest rate contracts;
- marketing and transportation;
- prevailing weather and break-up conditions;
- environmental risks;
- competition for, among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel;
- net production costs, transportation costs and future development costs;
- the ability to access sufficient capital from internal and external sources;
- changes in tax, royalty and environmental legislation and any government policy;
- any legal proceedings, the results thereof and the impact on the Company's business, financial condition and results of operations;
- changes in the political landscape, both domestically and abroad; and
- increased operating and capital costs due to inflationary pressures (actual and anticipated).

Readers are cautioned that the foregoing list of risk factors is not exhaustive. The risk factors above should be considered in the context of current economic conditions, increased supply resulting from evolving exploitation methods, the attitude of lenders and investors towards corporations in the energy industry, potential changes to royalty and taxation regimes and to environmental and other government regulations, the condition of financial markets generally, as well as the stability of joint venture and other business partners, all of which are outside the control of the Company. Also, to be considered are increased levels of political uncertainty and possible changes to existing international trading agreements and relationships. Legal challenges to asset ownership, limitations to rights of access and adequacy of pipelines or alternative methods of getting production to market may also have a significant effect on the Company's business. Additional information on these and other factors that could affect the business, operations or financial results of Tenth Avenue are included in reports on file with applicable securities regulatory authorities, including but not limited to Tenth Avenue's Annual Information Form for the year ended December 31, 2023, which may be accessed on Tenth Avenue's SEDAR+ profile www.sedarplus.ca or on the Company's website at www.tenthavenuepetroleum.com

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Tenth Avenue's prospective results of operations, production, free funds flow, net debt, net debt to annualized adjusted funds flow, corporate decline rates, royalty rates and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs and the assumptions outlined under "Non–IFRS Financial Measures, Non-IFRS Financial Ratios, and Capital Management Measures", and should not be used for purposes other than those for which it is disclosed herein. Tenth Avenue and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Tenth Avenue's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

The forward-looking statements and FOFI contained in this MD&A, as defined by Canadian securities legislation, are approved by management as of the date hereof and Tenth Avenue undertakes no obligation to update publicly or revise any forward-looking statements, forward-looking information or FOFI whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements and FOFI contained herein are expressly qualified by this cautionary statement.