Q1 2025
MANAGEMENT DISCUSSION & ANALYSIS

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 three months ended March 31, 2025 ("Q1/25" and "YTD/25") and 2024 ("Q1/24" and "YTD/24"). This MD&A is dated and based on information available as of May 29, 2025 and should be read in conjunction with the unaudited condensed consolidated interim financial statements ("financial statements") and the notes thereto for the three months ended March 31, 2025 and 2024 and the audited consolidated financial statements for the year ended December 31, 2024. Additional information relating to Tenth Avenue, including Tenth Avenue's Annual Information Form for the year ended December 31, 2024, 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 International Accounting Standards 34 "Interim Financial Reporting". 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 13. 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.

Patricia Acquisition

The Company closed an acquisition of natural gas assets located northeast of Brooks, Alberta from Heartland Oil Corporation on December 31, 2024. The total consideration of the Patricia Acquisition was $227,799 comprised of a non-interest bearing promissory note of $197,799 and $30,000 in common shares valued at $0.06/share. The Company incurred transaction costs of $9,574, which are included in general and administrative expenses in the statement of net loss and comprehensive loss. The acquisition is comprised of two non-operated Units (49% working interest) and 8 non-unit wells (25% working interest) of 100% gas weighted production, including 32 section (16 net) of land and existing infrastructure.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

		Three months ended March 31		
($)		**2025**	2024	% change
Total oil, natural gas and processing revenue		**844,349**	796,139	**6**
Cash flow from operating activities		**77,816**	(126,561)	**161**
Per share – basic		**(0.00)**	(0.00)	**-**
Per share – diluted		**(0.00)**	(0.00)	**-**
Adjusted funds flow (1)		**55,316**	46,039	**20**
Per share – basic (2)		**0.00**	0.00	**-**
Per share – diluted (2)		**0.00**	0.00	**-**
Net income (loss)		**(268,245)**	(220,322)	**(22)**
Per share – basic		**(0.01)**	(0.01)	**-**
Per share – diluted		**(0.00)**	(0.00)	**-**
Working capital debt (surplus) (1)		**818,942**	(64,846)	**(1363)**
Capital expenditures		**15,323**	11,803	**30**
Weighted average shares outstanding				
Basic		**44,614,100**	39,944,100	**12**
Diluted		**44,614,100**	39,944,100	**12**
Share Trading				
High		**$0.11**	$0.16	**(31)**
Low		**$0.06**	$0.10	**(40)**
Trading volume		**1,110,871**	598,581	**86**
Average daily production				
Oil (bbls/d)		**92**	104	**(12)**
NGL (bbls/d)		**3**	3	**-**
Natural Gas (mcf/d)		**551**	83	**564**
Total (boe/d)		**187**	122	**53**
Average realized sale prices, before financial instruments				
Oil ($/bbls)		**83.83**	77.45	**8**
Natural gas liquids ($/bbls)		**29.41**	13.70	**115**
Natural Gas ($/mcf)		**2.28**	4.59	**(50)**
Operating netback, after derivatives ($/boe)		**13.37**	17.80	**(25)**
Adjusted funds flow ($/boe)		**3.28**	4.16	**(21)**

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 2025 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. In June 2023, the ISSB issued 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.” 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 March 31		
		2025	2024	% change
Production				
Oil (bbls/d)		**92**	104	**(12)**
NGL (bbls/d)		**3**	3	**-**
Natural Gas (mcf/d)		**551**	83	**564**
Total (boe/d)		**187**	122	**53**
Percentage of oil and NGL		**51%**	89%	**(43)**

Average production for increased by 146% to 187 boe/d in Q1/25 from Q4/24 from 76 boe/d, and also increased by 53% when comparing to 122 boe/d in Q1/24. The increase in production volumes when comparing Q1/25 over Q1/24 was primarily driven by higher gas production from the Patricia acquisition, which closed on December 31, 2024. The increase over Q4/24 production is also due to the restoration of curtailed oil production at Murray Lake, which was returned to full production in November 2024.

Revenue

		Three months ended March 31		
($)		**2025**	2024	% change
Revenue				
Oil		**697,634**	736,439	**(5)**
Natural gas liquids		**7,698**	4,280	**80**
Natural Gas		**113,062**	34,528	**227**
Total		**818,394**	775,247	**6**
Average realized prices, before financial instruments:				
Oil ($/bbls)		**83.83**	77.45	**8**
Natural gas liquids ($/bbls)		**29.41**	13.70	**115**
Combined average oil NGL ($/boe)		**82.17**	75.42	**9**
Natural Gas ($/mcf)		**2.28**	4.59	**(50)**
Revenue ($/boe)		**48.56**	70.00	**(31)**
Average realized prices, after financial instruments (1):				
Oil ($/bbls)		**83.83**	83.52	**-**
Natural gas liquids ($/bbls)		**29.41**	13.70	**115**
Combined average oil NGL ($/boe)		**82.17**	81.30	**1**
Natural Gas ($/mcf)		**2.28**	4.59	**(50)**
Revenue ($/boe)		**48.56**	75.21	**(35)**
Average benchmarks prices:				
WTI (US$/bbl) (2)		**71.42**	76.96	**(7)**
Edmonton Par (C$/bbl) (2)		**95.19**	94.93	**-**
AECO daily index ($/mcf) (2)		**2.05**	1.95	**5**

(1) "Average realized prices, after financial instruments" are calculated as oil and gas sales, before royalties, after Settlements on Commodity Derivative Contracts, divided by total production by product type. Additional information is provided under the heading "Commodity Price Risk Management".
(2) Source: GLJ

Revenue in Q1/25 was $818,394, a 63% increase from Q4/24 revenue of $501,738 due to the 194% increase in gas production due to the Patricia acquisition, and a 30% increase in oil production due largely from Murray Lake returning to full operations. This is offset by a 37% reduction in combined realized prices including the effect of derivatives.

Q1/25 revenue increased by 6% to $818,394, compared to Q1/24 revenue of $775,247 primarily due to the 53% increase in production offset by a 35% decrease in combined realized pricing due to the increase in gas volumes associated with the Patricia acquisition.

Commodity Price Risk Management

		Year ended December 31		
($)		**2025**	2024	% change
Realized gain on derivatives		**-**	57,666	**(100)**
Unrealized loss on derivatives		**-**	(100,237)	**(100)**
Loss on derivatives		**-**	(42,571)	**(100)**
$/boe		**-**	(3.84)	**(100)**
Percent of revenue (%)		**-**	5%	**(100)**

The Company entered into a number of commodity price risk management contracts in 2024 to reduce the volatility of WTI prices. The Company had no outstanding financial derivative commodity contracts as at March 31, 2025 (December 31, 2024 – nil).

For Q1/24, the Company realized a gain of $57,666 from these financial commodity contracts, or $5.21/boe. 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.

Royalties

		Three months ended March 31		
($)		**2025**	2024	% change
Royalty expenses		**77,144**	70,755	**9**
$/boe		**4.58**	6.39	**(28)**
Percent of revenue (%)		**9%**	9%	**-**

Royalty expenses as a percentage of revenue decreased to 9% in Q1/25 from 12% in Q4/24 as a result of lower realized commodity prices. Royalty expenses as a percentage of revenue remained consistent at 9% in Q1/25 and in Q1/24. The Company expects that average royalty expenses as a percentage of revenue will continue to fluctuate with changes to benchmark oil and natural gas prices.

Net Production Expenses

		Three months ended March 31		
($)		**2025**	2024	% change
Production expenses		**541,846**	585,943	**(8)**
Less: processing income		**(25,955)**	(20,892)	**24**
Total net production expenses (1)		**515,891**	565,051	**(9)**
Total ($/boe) (2)		**30.61**	51.02	**(40)**

(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.

Net production expenses increased to $515,891 in Q1/25 from $489,645 in Q4/24 and decreased by 56% on a per boe basis to $30.61/boe in Q1/25 from $70.10/boe in Q4/24. This can be attributed to the 146% increase in production volumes as it relates to changes in its operating costs. The reduction in net production expense during the quarter was attributed to variable operating costs being reduced from $39.90 in 2024 to $18.58 per boe and fixed operating costs reduced from $25.39 in 2024 to $13.47 per boe in Q1/25.

Net production expenses decreased to $515,891 in Q1/25 from $565,051 in Q1/24 and also decreased on a per boe basis by 40% to $30.61/boe in Q1/25 from $51.02 in Q1/24. The decrease can be attributed to a reduction in repair and maintenance ("R&M") costs by 52% (from $12.15/boe to $5.79/boe), a reduction in clean oil trucking costs by 48% from $3.02 to $1.57, and power costs reductions by 47% (from $10.79/boe to $5.72/boe).

Third party processing income increased by 24% to $25,955 in Q1/25 from $20,892 in Q1/24. The increase in third party processing income was a direct result of the Company upgrading its existing infrastructure and injection equipment, allowing for greater third-party water volumes to be processed at its Vulcan and Murray Lake facilities. These third-party water volumes are reinjected into the Company's reservoir, which further supports pressure maintenance in connection with its Enhanced Oil Recovery program.

The Company's operating costs fluctuate with changes in production. The Company will continue to focus on reducing the operating costs that it controls.

Operating Netback

		Three months ended March 31		
		2025	2024	% change
($/boe)				
Average realized sales		**48.56**	70.00	**(31)**
Royalty expenses		**(4.58)**	(6.39)	**(28)**
Net production expenses [(1)]		**(30.61)**	(51.02)	**(40)**
Operating field netback, before derivatives [(1)]		**13.37**	12.59	**6**
Realized gain on derivatives		**-**	5.21	**(100)**
Operating filed netback, after derivatives ($/boe) [(1)]		**13.37**	17.80	**(25)**

(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 increased by 302% in Q1/25 to $13.37/boe from $(6.61)/boe in Q4/24, while operating netbacks, after derivatives increased 556% to $13.37/boe in Q1/25 from $(2.93)/boe in Q4/24. The netback increase on a per boe basis in both cases is due primarily to the 146% increase in production and resulting lower operating costs on a per boe basis.

Operating netbacks before derivatives increased by 6% in Q1/25 to $13.37/boe compared to $12.59/boe in Q1/24 due to increased production, offset by decreased combined realized revenue pricing. Operating netbacks per boe after derivatives decreased by 25% to $13.37/boe from $17.80/boe when comparing Q1/25 to Q1/24 as there were no hedges in place in fiscal 2025, whereas fiscal 2025 saw a gain associated with hedges of $5.21/boe.

General and Administrative ("G&A") Expenses

		Three months ended March 31		
		2025	2024	% change
($)				
General and administrative costs		**170,043**	151,068	**13**
Net G&A expenses		**170,043**	151,068	**13**
Total ($/boe)		**10.09**	13.64	**(26)**

Net G&A expenses in Q1/25 decreased by 5% to $170,043 compared to $178,338 in Q4/24. This slight decrease can be attributed to a reduction in regulatory and environmental consulting fees quarter over quarter.

Net G&A expenses increased by 13% to $170,043 in Q1/25 compared to $151,068 in Q1/24 and decreased on a per boe basis by 26% to $10.09/boe from $13.64/boe, respectively during the same periods. This is primarily due to an increase in environmental consultant fees as none existed in Q1/24, as well as an increase in accounting consulting fees. The decrease on a per boe basis can be attributed to the 53% increase in production in Q1/25 compared to Q1/24. The Company currently does not capitalize G&A expenses.

The Company expects G&A on a per boe basis to continue to fluctuate commensurate with changes to average production rates.

Stock-Based Compensation Expense

		Three months ended March 31		
		2025	2024	% change
($)				
Total expenses stock-based compensation		**39,763**	43,250	**(8)**
Total ($/boe)		**2.36**	3.91	**(40)**

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 three-month period ended March 31, 2025, the Company had 4,402,500 options outstanding (at a weighted average price of $0.17 per share), compared to 3,132,500 options outstanding (at a weighted average price of $0.20 per share) during the same period in 2024. The reduction in stock-based compensation of $3,487 is associated with a lower weighted average fair value on the Black-Scholes pricing model, offset by the timing of the graded vesting terms of the stock option plan, with one third of the expense being expensed on initial grant.

Finance Expense

		Three months ended March 31		
		2025	2024	% change
($)				
Accretion of decommissioning obligations		**40,833**	30,453	**34**
Total finance expense		**40,833**	30,453	**34**
Total ($/boe)		**2.42**	2.75	**(12)**

Total finance expense for Q1/25 increased by 42% to $40,833 from $28,715 in Q4/24, however decreased on a per boe basis by 41% to $2.42/boe in Q1/25 from $4.11/boe in Q4/24. The increase in total finance expense was primarily due to higher accretion expense resulting from additional decommissioning liabilities assumed in the recent acquisition, despite a decrease in the risk-free rate. The decrease in finance expense on a per boe basis reflects higher production volumes during the quarter, driven by the acquisition and the restoration of curtailed oil production at Murray Lake.

Total finance expense for Q1/25 increased by 34% to $40,833 from $30,453 in Q1/24, however decreased on a per boe basis by 12% to $2.42/boe in Q1/25 from $2.75/boe in Q1/24. The increase in total finance expense reflects higher accretion costs associated with additional decommissioning obligations assumed in the Patricia acquisition, while the decrease on a per boe basis was driven by increased production volumes resulting from the acquisition.

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

		Three months ended March 31		
		2025	2024	% change
($)				
DD&A		**226,596**	146,475	**55**
Total		**226,596**	146,475	**55**
Depletion and depreciation ($/boe)		**13.44**	13.23	**2**

DD&A expenses increased to $226,596 in Q1/25 from $141,023 in Q4/24, however decreased on a per boe basis to $13.44/boe from $20.19/boe. The increase in total DD&A expense was primarily driven by the inclusion of depletion from the Patricia property, which had no associated depletion in the prior period, along with higher production volumes at Vulcan and Murray Lake. The decrease on a per boe basis reflects increased production during the quarter and as a result of the impairments realized in Q4/24, which in turn lowered the asset base at Swan Hills.

DD&A expenses increased to $226,596 in Q1/25 from $146,475 in Q1/24 and increased 2% to $13.44/boe from $13.23/boe largely driven by the addition of the Patricia property and a lower reserve base used in the depletion calculation for Murray Lake and Vulcan due to updated reserve estimates.

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.

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, 2024, reserve evaluation of proved plus probable reserves provided by an independent reserve evaluation.

As at March 31, 2025, it was determined an impairment for the Swan Hills CGU to reduce the assets to a $nil value in line with the year end reserve report assessment. The asset remains fully impaired as at March, 2024. There were no further indicators of impairment.

Adjusted Funds Flow and Net Income (Loss)

		Three months ended March 31		
		2025	2024	% change
Cash flow from operating activities		**77,816**	(126,561)	**161**
Changes in restricted cash		**529**	758	**(30)**
Change in non-cash working capital		**(23,029)**	171,842	**(113)**
Adjusted funds flow		**55,316**	46,039	**20**
Per share – basic (2)		**-**	-	**-**
Per share – diluted (2)		**-**	-	**-**
Net income (loss)		**(269,245)**	(220,322)	**(22)**
Per share – basic		**(0.01)**	(0.01)	**-**
Per share – diluted		**(0.01)**	(0.01)	**-**

(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") was $55,316 in Q1/25 compared to funds flow of $46,039 in the same period in 2024. This increase is primarily as result of the 53% increase in production, offset by the difference in changes in non-cash working capital associated with the timing of payments between the two periods.

The Company also recorded a net loss of $269,245 (($0.01) per share basic and diluted) in Q1/25 compared to a net loss of $220,322 (($0.01) per share basic and diluted) for the same period in 2025. This is primarily due to increased depletion due to the Patrricia acquisition and impairment with the Swan hills unit. This is offset by increased production and revenue.

Capital Expenditures (Including Exploration and Evaluation Expenditures)

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

		Three months ended March 31		
		2025	2024	% change
($)				
Intangible drilling and completion		**(2,621)**	(1,043)	**(151)**
Equipment and facilities		**17,944**	12,846	**40**
Total capital expenditures		**15,323**	11,803	**30**

Total capital expenditures decreased by 91% in Q1/25 to $15,323 from $168,700 in Q4/24 and increased by 30% from $11,803 in Q1/24. Capital expenditures during Q1/25 included costs associated with the pipeline systems at Murray Lake and plant and battery equipment expenditures at the Company's unoperated Swan Hills Unit.

Share Capital

	March 31, 2025		December 31, 2024	
	Number	**Amount ($)**	Number	Amount ($)
Balance, opening	**44,614,100**	**18,101,297**	39,944,100	17,682,581
Non-brokered private placement	**-**	**-**	4,170,000	417,000
Issue of common shares – acquisition	**-**	**-**	500,000	30,000
Share issue costs	**-**	**-**	-	(28,284)
Balance, ending	**44,614,100**	**18,101,297**	44,614,100	18,101,297

	May 27, 2025	March 31, 2025	December 31, 2024
Common shares outstanding	**44,614,100**	**44,614,100**	**44,614,100**
Options outstanding	**4,402,500**	**4,402,500**	**3,057,500**
Warrants outstanding	**2,085,000**	**2,085,000**	**2,085,000**

Liquidity and Capital Resources

Tenth Avenue's strategy remains focused on preserving liquidity. The Company strives to achieve this by entering into physical crude oil hedge contracts from time to time and by managing capital spending levels as appropriate to respond to changes in realized commodity prices. The Company, however, is not always able to predict future required capital expenditures to maintain production levels as unforeseen operational issues can occur, such as pipeline failures, causing production downtime. 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 a working capital deficit of $818,942 as at March 31, 2025, compared to a $858,406 deficit as at December 31, 2024 (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 March 31, 2025, the Company had $54,517 (December 31, 2024 - $41,474) in cash on hand.

In the fourth quarter, on November 1, 2024, the Company closed a non-brokered private placement, issuing 4,170,000 Units at a price of $0.10 per unit ("Unit") for gross proceeds of $417,000 ("Offering") with proceeds to be used to accelerate the Company's infrastructure development plans at its Murray Lake assets and for general working capital purposes. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant issued under the Offering entitles the holder to acquire one additional Common Share at a price of $0.15 for a period of 12 months from the date of issuance. The Warrants include an acceleration provision whereby if at any time the daily volume weighted average closing price of the Common Shares on the TSXV is greater than $0.20 per Common Share for a period of ten consecutive trading days.

The Company will be required to raise additional equity or debt financing to fund on going operations and future development 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.

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

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 Tenth Avenue'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".

a. 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)".

b. 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".

c. 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.

	March 31, 2025	December 31, 2024
($)		
Cash and cash equivalents	**(54,517)**	(41,474)
Accounts payable and accrued liabilities	**1,418,867**	1,351,638
Accounts receivable	**(465,568)**	(406,122)
Prepaid expenses and deposits	**(228,189)**	(243,435)
Promissory note	**148,349**	197,799
Working capital (surplus)	**818,942**	858,406
Long term debt	**-**	-
Net (surplus) debt	**818,942**	858,406

d. **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 11 in the section titled "Liquidity and Capital Resources".

e. **Free Funds Flow (Capital Management Measure)** - Management uses certain industry benchmarks, such as free funds flow, to analyze financial and operating performance. This benchmark is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions, Management believes that free funds flow provides a useful measure to determine Tenth Avenue's ability to improve returns and to manage the long-term value of the business.

	Three months ended March 31		
($)	**2025**	2024	**% change**
Adjusted funds flow	**55,316**	46,039	**20**
Less: capital expenditures	**(15,323)**	(11,803)	**30**
Free funds flow	**39,993**	34,236	**17**

Selected Quarterly Information				
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Sales volumes				
Natural Gas (mcf/d)	**551**	27	14	42
Oil and NGL (bbls/d)	**95**	72	73	86
Average boe/d (6:1)	**187**	76	75	93
Product prices				
Natural gas *($/mcf)*	**2.28**	2.09	2.15	3.19
Oil and NGL *($/bbl)*	**82.17**	75.52	96.60	95.17
Oil equivalent *($/boe)*	**48.56**	71.83	94.03	89.51
($)				
Financial results				
Gross Revenues	**818,394**	501,738	652,735	761,221
Cash provided by operating activities	**77,816**	(235,056)	45,986	440,416
Adjusted funds flow (1)	**55,316**	(270,379)	(86,118)	(86,540)
Per share – basic	**-**	(0.01)	-	-
Per share – diluted	**-**	(0.01)	-	-
Net loss	**(268,245)**	(837,125)	(244,907)	(228,772)
Per share – basic	**(0.01)**	(0.02)	(0.01)	(0.01)
Per share – diluted	**(0.01)**	(0.02)	(0.01)	(0.01)
Capital expenditures	**15,323**	168,700	229,955	280,693
Acquisitions (1)		227,799	-	-
Total assets	**7,244,599**	7,365,643	5,821,023	5,959,765
Net debt (2)	**818,942**	858,406	598,971	255,782
Decommissioning obligations	**5,274,194**	5,184,535	3,458,684	3,501,002

(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

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.

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.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has designed disclosure controls and procedures ("DCP") to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in our annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Company has designed internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company is required to disclose herein any change in the Company's ICFR that occurred during the recent fiscal period that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

No material changes in the Company's DCP and its ICFR were identified during the period ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. As a result, the Company's DCP and its ICFR were effective as at March 31, 2024.

It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived, can provide only reasonable, but not absolute assurance that the objectives of the control system will be met, and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Business Risks
The business of exploring for, developing and producing crude oil and natural gas reserves is inherently risky. The Company is subject to both risks that directly affect Tenth's business and operations, as well as indirect risks that impact third parties or industry generally. The following information is a summary only of certain risk factors relating to the Company. Prospective investors should carefully consider the risk factors set out below and consider all other information contained in this MD&A and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list, nor should be taken as a complete summary or description of all the risks associated with the Company's business and the oil and natural gas business generally.

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's risk management obj0065ctive is to manage and control market risk exposures within acceptable limits, while maximizing long-term returns. The Company may utilize derivative financial instruments and physical delivery sales contracts 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.

The Company had no outstanding financial derivative commodity contracts as at December 31, 2024.

Interest Rate Risk
Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Although the Company has no bank debt outstanding as of December 31, 2024, it could be exposed on future financing opportunities. The Company does not currently have any interest rate risk management contracts in place.

Currency Risk

Currency risk is the risk that future cash flows will fluctuate as a result of changes in foreign exchange rates. Tenth is exposed to fluctuations of the Canadian to U.S. dollar exchange rate given the Company's realized pricing in Canadian dollars is directly influenced by U.S. dollar denominated benchmark pricing. As at December 31, 2024, the Company did not have any foreign exchange risk management contracts in place.

Credit Risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. As at December 31, 2024, the Company's financial assets include cash and cash equivalents, trade and other receivables, and prepaid expenses and deposits. Cash and cash equivalents are held on deposit with a Canadian chartered bank. The Company's credit risk exposure arises primarily from receivables from oil and gas marketers, the counterparty to derivative financial contracts 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. As at March 31, 2025, Tenth's expected credit loss provision was $100,682 (2024 - $nil).

Liquidity Risk
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, 2024 include accounts payable and accrued liabilities as well as a promissory note. The Company prepares and regularly updates its capital and operating budget to forecast future cash flows to ensure, to the extent possible, that it will have sufficient liquidity to meet its obligations. As at December 31, 2024, the Company had a working capital deficit of $858,406. The Company actively monitors its liquidity position and forecasts future cash flows to ensure that it can meet its financial obligations as they come due.

In response to the current deficit, the Company has developed a plan that includes:

- Utilizing existing cash reserves and operational cash flows to fund ongoing obligations;
- Actively managing accounts payable and capital expenditures to align with projected cash inflows;
- Pursuing additional equity and debt financing as required to supplement working capital, including strategic capital raises similar to the non-brokered private placement completed in November 2024;
- Evaluating opportunities to divest non-core assets to enhance liquidity if necessary.

Management believes that these actions, along with anticipated improvements in operational performance and commodity prices, will provide the necessary liquidity to meet obligations over the next twelve months. Nevertheless, there is a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

Substantial Capital Requirements
Tenth anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As future capital expenditures will be financed out of cash provided by operating activities, borrowings and possible future equity sales, the Company's ability to do so is dependent on, among other factors: the overall state of the capital markets; the Company's credit rating (if applicable); commodity prices; interest rates; royalty rates; tax burden due to current and future tax laws; and investor appetite for investments in the energy industry and Tenth's securities in particular.

Further, if the Company's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future programs. The current conditions in the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies to access additional financing. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on its business financial condition, results of operations and prospects.

Impact of U.S. Legislative and Regulatory Policies
The recent election of President Trump may result in legislative and regulatory changes that could have an adverse effect on Tenth and its financial condition. In early February 2025, the U.S. announced a 25% broad-based tariff on goods exported out of Canada into the U.S., other than energy products (including oil and natural gas), which would be subject to a 10% tariff. In response, the Canadian government announced that it would impose a 25% tariff on $155 billion of goods imported from the U.S. The U.S. subsequently announced a 25% tariff on goods imported from Mexico, a 20% tariff on goods imported from China, a 25% tariff on all global U.S. imports of steel and aluminum, including finished metal products. On March 4, 2025, the tariffs against Canada came into effect as initially promulgated; however, certain applications were paused on March 6, 2025, purportedly until April 2, 2025.

Representatives of the U.S. government have publicly stated that they are considering imposing further tariffs on other goods imported from other countries.

There is uncertainty regarding U.S. tariffs and support for existing treaty and trade relationships, including with Canada. Implementation by the U.S. government of new legislative or regulatory policies could impose additional costs on Tenth, decrease U.S. demand for the Company's products, or otherwise negatively impact the Company, which may have a material adverse effect on Tenth's business, financial condition and operations. Furthermore, there is a risk that the tariffs imposed by the U.S. on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and gas industry and the Company. This uncertainty may adversely impact: (i) the ability of companies to transact business with companies such as Tenth; (ii) Tenth's profitability; (iii) regulation affecting the Canadian oil and gas industry; (iv) global stock markets (including the TSX-V); and (v) general global economic conditions. All these factors are outside of Tenth's control, but may nonetheless lead the Company to adjust its strategy in order to compete effectively in global markets.

The United States Mexico Canada Agreement

On July 1, 2020, the North American Free Trade Agreement, a free trade agreement among the governments of Canada, the United States and Mexico, was replaced by a new trade agreement, widely referred to as the USMCA, and sometimes referred to as the United States Mexico Canada Agreement. As the United States remains Canada's primary trading partner and the largest international market for the export of crude oil, NGLs and natural gas from Canada, the continued implementation of the USMCA could have an impact on Western Canada's petroleum and natural gas industry at large, including the Company's business.

More recently, the U.S. Federal Government announced the imposition of a 10% tariff on Canadian oil and natural gas exports, although this has been temporarily suspended. There remains uncertainty regarding whether these tariffs will be re-implemented. The Company is unable to predict with certainty what the impact of such tariffs will have on the business; however, there could be a significant negative impact to the price Tenth receives for its oil sales. As Canada-U.S. trade relations continue to evolve, the potential for further tariff-related conflicts could introduce additional volatility and risks to the Company's operations.

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'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'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 Tenth's products.

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.

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'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; fall of the Syrian Assad regime and uncertainty regarding the transitional government; and activism globally.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Tenth depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves Tenth may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Tenth's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Tenth will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Tenth may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Tenth.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents and the shutting-in of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect production, which may reduce the Company's revenue.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including but not limited to hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills and other environmental hazards, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including geological and seismic risks, encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a negative effect on future results of operations, liquidity and financial condition, which could prove to be material over time.

As is standard industry practice, Tenth is not fully insured against all risks, nor are all risks insurable. Although the Company maintains liability insurance in an amount considered consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, Tenth could incur significant costs.

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'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.

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'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 Tenth's growth and profitability. Tenth 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, Tenth 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 as more energy companies 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'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.

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's operations, less economic.

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's assets; however, if a claim arose and was successful this could have an adverse effect on Tenth 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 Policy Risks

Increasing public, government, and investor attention is being paid to global climate issues and to emissions commonly referred to as greenhouse gas ("GHG") emissions. The majority of countries across the globe, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In addition, during the course of the 2021 United Nations Climate Change Conference in Glasgow, Scotland, Canada's Prime Minister Justin Trudeau made several pledges aimed at reducing Canada's GHG emissions and environmental impact. At the 2023 United Nations Climate Change Conference, Canada renewed its commitments to transitioning away from fossil fuels and further cutting emissions. At the 2024 United Nations Climate Change Conference, Canada launched a $2 billion public and private financing platform to support climate-focused investments in vulnerable areas and growing economies.

Foreign and domestic governments continue to evaluate and implement policy, legislation and regulations focused on restricting GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. The majority of countries, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. At the 2021 UN Climate Change Conference, Canada made several pledges aimed at reducing Canada's GHG emissions and at the 2024 UN Climate Change Conference, Canada reaffirmed its commitments to transitioning away from fossil fuels and further cutting GHG emissions. Given the evolving nature of climate change policy and the control of GHG and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing operating expenses on the royalty properties, and, in the long-term, potentially reducing the demand for crude oil and natural gas and related products, resulting in a decrease in the Company's profitability and a reduction in the value of its assets.

With respect to environmental, social, governance and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators published for comment Proposed National Instrument 51-107 - Disclosure of Climate-Related Matters, intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. If the Company is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected.

Given the evolving nature of climate change policy and the control of GHG and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing the Company's operating expenses and in the long-term, potentially reducing the demand for crude oil and natural gas production resulting in a decrease in the Company's profitability and a reduction in the value of its assets or requiring impairments for financial statement purposes.

Carbon Pricing Risk and Environmental Regulation
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.

On July 1, 2023, the Clean Fuel Regulations ("CFS Regulations") came into force. The objective of the clean fuel standard is to achieve 30 million tonnes of annual reductions in GHG emissions by 2030. The CFS Regulations requires liquid fossil fuel primary suppliers (i.e. producers and importers) to reduce the carbon intensity ("CI") of the liquid fossil fuels they produce in, and import into, Canada. The CFS Regulations has also established a credit market, whereby the annual Cl reduction requirement can be met via three main categories of credit-creating actions: (i) actions that reduce the Cl of the fossil fuel throughout its lifecycle; (ii) supplying low-carbon fuels; and (iii) specified end-use fuel switching in transportation. The Federal Government prescribes the Output-based Pricing System (the "OBPS") under the Greenhouse Gas Pollution Pricing Act (the "GGPPA"). the GGPPA and OBPS act as backstop legislation for taxing carbon emissions in provinces that have not yet implemented their own carbon tax legislation that meets Federal equivalency requirements. Effective January 1, 2025, the minimum price permissible under the GGPPA rose to $95/tonne of CO2e.

On December 7, 2023, the federal government published the Regulatory Framework for an Oil and Gas Sector Greenhouse Gas Emissions Cap ("GHG Cap"), setting forth key elements of the GHG Cap including: (i) a decline of emissions to meet net-zero by 2050; (ii) creating the legal upper bound on emissions (being the maximum emissions the whole sector may be allowed to emit per year) in a manner responsive to technically achievable emissions reductions and the global demand for oil and gas; (iii) minimal administrative burden; and (iv) ongoing monitoring and regular review of the standards.

On November 9, 2024, the Proposed Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations ("Proposed GHC Cap Regulation") was subsequently released by the federal government. The Proposed GHC Cap Regulation establishes registration and reporting requirements and a cap-and-trade system that apply to any oil and gas operators carrying out industrial activities including crude oil production, oil sands extraction and upgrading, natural gas extraction and LNG production. All operators captured by the Proposed GHC Cap Regulations would be required to register under the regulations by January 1, 2026. In addition to initial registration, operators are required to submit a production report describing cumulative production of all of the operator's facilities, as well as an annual report that sets out the quantity of production and GHGs attributed to each facility calculated in accordance with prescribed quantification methods described in the regulations. In addition to reporting requirements, operators with production greater than 365,000 boe per year must remit one compliance unit for each tonne of carbon dioxide equivalent tonne of their emissions. There are three categories of compliance units eligible to satisfy the operator's remittance obligations, consisting of: (i) at least 80% of the compliance units must be emission allowances prescribed by the minister, (ii) up to a maximum of 20% of compliance units may be satisfied by way of eligible Canadian offset credits, (iii) up to a maximum 10% of compliance units may be offset by the decarbonization units obtained from making contributions to a decarbonization program per carbon dioxide equivalent tonne.

The Proposed GHC Cap Regulations was open for a 60-day public comment period from November 2024 to January 2025 and are expected to come into force upon registration of the final regulations in 2025. Facilities would be required to register under the Proposed GHC Cap Regulations by January 1, 2026. Operators with cumulative monthly production of more than 30,000 BOE/d during any month between January 1, 2024 and July 1, 2025 would be required to submit their first reports by June 1, 2027 for the 2026 calendar year. Operators with monthly production of less than 30,000 BOE/d would be required to submit their first reports by June 1, 2029 for the 2028 calendar year. The first remittance compliance period is set to begin on January 1, 2023 after the Proposed GHC Cap Regulations comes into force. The Government of Alberta has issued a publication in January 2025 announcing that it intends to challenge the constitutionality of the Proposed GHC Cap Regulations after its enactment.

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. Tenth 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 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.

In June 2023, the International Sustainability Standards Board ("ISSB") issued two international environmental reporting standards: IFRS S1, which addresses sustainability-related disclosure, and IFRS S2, which addresses climate-related disclosure. The Canadian Sustainability Standards Board ("CSSB") subsequently released for public comment substantially similar proposed Canadian versions of the international standards ("CSDS 1" and "CSDS 2"), which were finalized in December 2024 (collectively, the "Canadian Standards"). The Canadian Standards require issuers, among other things, to include quantitative data regarding their environmental considerations, to use scenario analysis in developing their disclosure, and to disclose Scope 3 emissions (i.e. indirect emissions from an organization's operations). The finalized Canadian Standards are substantially similar to IFRS S1 and S2 (and earlier drafts of CSDS 1 and CSDS 2), however they have extended implementation timelines for select criteria. Canadian companies are not required to follow the Canadian Standards at this time, however the Canadian Securities Administrators are considering amending Canadian reporting requirements to include certain aspects of these new Canadian Standards; to what extent they will be adopted remains unclear.

In June 2024, the federal Competition Act was amended to enact new deceptive marketing provisions targeting "greenwashing". The new provisions introduced unclear substantiation requirements for companies making environmental claims and significant fines for failing to meet the new requirements. As a result of the uncertainty with respect to the applicability of the new rules, some companies removed their environmental and sustainability-related disclosure from the public domain. In December 2024, the constitutionality of the new deceptive marketing provisions was challenged in the Alberta Court of King's Bench and the lawsuit remains ongoing.

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'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 employees and consultants 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 employee protocols with respect to electronic communications and electronic devices and conducts annual cyber security risk assessments. The Company also employs encryption protection of its confidential information, all computers and other electronic devices. Despite the Company's efforts to mitigate such phishing attacks through education and training, phishing activities remain a serious problem that may damage Tenth'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.

Pandemic Risk
Severe disruptions in regional economies and the world economy can be caused by the outbreak of a contagious illness. Such pandemics and efforts to contain them could result in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains, customer activity and demand, service cancellations, reductions and other changes, significant challenges in healthcare service preparation and delivery, and quarantines, as well as considerable general concern and uncertainty, all of which could negatively affect the economic environment and may in the future have further impacts, as was the case for the COVID-19 pandemic. It is not possible to predict what measures and restrictions may be imposed by governmental authorities and the period of time during which those measures and restrictions may apply. Economic and supply chain disruptions, including temporary staff shortages resulting from a pandemic, could further materially affect the Company's financial results and operations. A pandemic could also further and significantly impact global economic activity, including demand for hydrocarbons, and cause increased market volatility, continued changes to the macroeconomic environment and commodity prices in connection with ensuing economic disruption, supply shortages, trade disruption, temporary staff shortages and temporary closures of facilities in geographic locations more importantly impacted by the outbreak. The scope and severity of such disruptions and their impact on the Company's financial results and operations could be material.

Forward-Looking Information May Prove Inaccurate
Current and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties in this MD&A under the heading "Forward-Looking Statements".

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 COVID-19 pandemic, the Company's and governmental authorities' current and planned responses thereto and the impact thereof on, without limitation, the Company in particular, including the Company's capital expenditure plans, and the oil and gas industry in general;
- uncertainty regarding the full impact of COVID-19 on global economies and oil demand and commodity prices, including the effects of recent outbreaks of COVID-19 in China;
- the timing of full economic recovery related to the COVID-19 pandemic;
- 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;
- Tenth Avenue's ability to execute its plans in response to the COVID-19 pandemic; and
- 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", "COVID-19 Response", "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 COVID-19 pandemic and the impact on the Company's business, financial condition and results of operations;
- 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, 2024, 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.