ROK RESOURCES

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

ROK RESOURCES

FINANCIAL AND OPERATING HIGHLIGHTS

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Financial Highlights				
Oil and natural gas sales	21,349,004	22,144,104	64,022,520	64,019,554
Realized gain on commodity contracts	953,121	563,524	1,813,877	5,689,069
Processing and other income	993,943	708,047	2,503,216	1,703,583
Net income (loss)	10,039,846	(7,752,269)	4,509,095	(7,273,545)
$ per share, basic	0.05	(0.04)	0.02	(0.03)
$ per share, diluted	0.05	(0.04)	0.02	(0.03)
Funds Flow (1)	5,450,738	4,987,273	16,793,841	19,626,711
Expenditures on property, plant & equipment	2,958,065	7,580,757	10,052,687	16,585,543
Total assets	165,011,659	167,322,385	165,011,659	167,322,385
Principal balance of long-term debt	11,783,905	13,113,586	11,783,905	13,113,586
Net Debt (1)	9,143,800	15,014,147	9,143,800	15,014,147
Shareholders' equity	106,251,681	104,347,094	106,251,681	104,347,094
Common shares outstanding	218,419,315	215,393,217	218,419,315	215,393,217
Operating Highlights (2)				
Average daily production				
Crude oil (bbl/d)	2,348	1,986	2,210	2,046
NGLs (boe/d)	347	432	405	391
Natural gas (mcf/d)	6,467	8,647	8,281	7,961
Total (boe/d)	3,773	3,858	3,995	3,764
Average realized prices, before hedging				
Crude oil ($/bbl)	91.12	101.66	91.10	93.82
NGLs ($/boe)	40.23	41.63	45.96	49.03
Natural gas ($/mcf)	0.64	2.41	1.66	2.94
Combined average ($/boe)	61.51	62.38	58.49	62.30
Operating Netback (1)				
Oil and natural gas sales ($/boe)	61.51	62.38	58.49	62.30
Royalties ($/boe)	(10.56)	(8.26)	(10.42)	(11.18)
Operating expenses ($/boe)	(33.71)	(37.60)	(31.04)	(31.72)
Operating Netback ($/boe)	17.24	16.52	17.03	19.40
Funds from Operations ($/boe) (1)	22.85	20.09	20.97	26.59
Operating Income Profit Margin (1)	28.0%	26.5%	29.1%	31.1%
Funds from Operations Profit Margin (1)	37.1%	32.2%	35.9%	42.7%

1) "Funds Flow", "Operating Netback", "Funds from Operations", "Operating Income Profit Margin", "Funds from Operations Profit Margin", "Net Debt" do not have standardized meanings under IFRS. Refer to "Non-IFRS Measures" section of this MD&A.
2) Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Refer to the section entitled "Conversion Measures" at the end of this MD&A.

INTRODUCTION

The following is management's discussion and analysis ("**MD&A**") of the operating and financial results of ROK Resources Inc. ("**ROK**" or the "**Company**"), for the three and nine months ended September 30, 2024, as compared to the three and nine months ended September 30, 2023, as well as information and expectations concerning the Company's outlook based on currently available information.

This MD&A should be read in conjunction with ROK's interim condensed financial statements for the three and nine months ended September 30, 2024, as well as the audited annual financial statements for the year ended December 31, 2023, prepared in accordance with IFRS (as defined below), together with the accompanying notes.

This MD&A contains forward-looking information about our current expectations, estimates, projections and assumptions. Additional information on the Company, its financial statements, this MD&A and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca).

All dollar values are expressed in Canadian dollars, unless otherwise indicated, and are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IFRS").

This MD&A is prepared as of November 19, 2024.

NON-IFRS MEASURES

The non-IFRS measures and ratios referred to below do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures used by other companies. Management uses these non-IFRS measures to provide its shareholders and investors with a measurement of the Company's financial performance and are not intended to be viewed as an alternative to cash provided by operating activities, net income or other measures of financial performance calculated in accordance with IFRS. The reader is cautioned that these amounts may not be directly comparable to measures for other companies where similar terminology is used.

Funds Flow

"Funds Flow" include all cash provided by operating activities and are calculated before the change in non-cash working capital. A reconciliation of cash provided by operating activities to Funds Flow for the three and nine months ended September 30, 2024 and 2023, are as follows:

Funds flow ($)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Cash from operating activities	3,630,721	5,284,772	14,290,652	19,707,448
Change in non-cash working capital	1,820,017	(297,499)	2,503,189	(80,737)
Total	5,450,738	4,987,273	16,793,841	19,626,711

Operating Income, Operating Netback, Operating Income Profit Margin, Funds from Operations, and Funds from Operations Profit Margin

"Operating Income" is calculated by deducting royalties and operating expenses from oil and natural gas sales. The Company refers to Operating Income expressed per unit of production as an "Operating Netback". "Operating Income Profit Margin" is calculated by the Company as Operating Income as a percentage of oil and natural gas sales. "Funds from Operations" and "Funds from Operations Profit Margin" adjust Operating Income and Operating Income Profit Margin for processing and other income and realized gains/losses from the economic hedges in place during the period. A reconciliation of the measures for the three and nine months ended September 30, 2024 and 2023, are as follows:

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Oil and natural gas sales	21,349,004	22,144,104	64,022,520	64,019,554
Royalties	(3,664,327)	(2,931,103)	(11,401,545)	(11,490,495)
Operating expenses	(11,700,674)	(13,353,260)	(33,980,002)	(32,594,808)
Operating Income	5,984,003	5,859,741	18,640,973	19,934,251
Processing and other income	993,943	708,047	2,503,216	1,703,583
Realized gain on commodity contracts	953,121	563,524	1,813,877	5,689,069
Funds from Operations	7,931,067	7,131,312	22,958,066	27,326,903
Sales volume (boe)	347,089	354,975	1,094,652	1,027,551
Per boe				
Oil and natural gas sales	61.51	62.38	58.49	62.30
Royalties	(10.56)	(8.26)	(10.42)	(11.18)
Operating expenses	(33.71)	(37.60)	(31.04)	(31.72)
Operating netback	17.24	16.52	17.03	19.40
Funds from Operations	22.85	20.09	20.97	26.59
Operating Income Profit Margin	28.0%	26.5%	29.1%	31.1%
Funds from Operations Profit Margin	37.1%	32.2%	35.9%	42.7%

Net Debt

Throughout this MD&A, references to "Net Debt" means the principal amount of its outstanding long-term obligations, net of Adjusted Working Capital. "Adjusted Working Capital" is calculated as current assets less current liabilities, excluding current portion of debt as presented on the statement of financial position. At September 30, 2024, the Adjusted Working Capital includes cash and cash equivalents, accounts receivable, prepaid expenses and deposits, the current portion of risk management contracts, and accounts payable and accrued liabilities. ROK uses "Net Debt" as a measure of the Company's financial position and liquidity, however it is not intended to be viewed as an alternative to other measures calculated in accordance with IFRS.

	September 30, 2024	December 31, 2023
Accounts receivable	11,905,340	13,021,111
Prepaids and deposits	318,624	364,090
Current portion of risk management contracts	4,816,700	4,521,075
Accounts payable and accrued liabilities	(13,894,910)	(17,560,130)
Adjusted working capital (2)	**3,145,754**	**346,146**
Credit Facility (1)	11,783,905	14,501,748
Lease obligations (1)	505,649	545,851
Less: adjusted working capital (2)	(3,145,754)	(346,146)
Net debt	**9,143,800**	**14,701,453**

1) Represents undiscounted face value of debt balances and lease obligations outstanding as of each respective date presented.
2) Calculation of adjusted working capital excludes current portion of debt and lease liabilities as presented on the statement of financial position. The mark-to-market fair value of the current portion of risk management contracts is included within adjusted working capital.

BUSINESS PROFILE AND STRATEGY

ROK is a public company that is engaged in oil and gas exploration and development activities in Western Canada. The Company's head offices are located in Regina, Saskatchewan, Canada, and Calgary, Alberta, Canada, and the Company's shares are traded on the TSX Venture Exchange ("**TSXV**") under the trading symbol "ROK". ROK continues to target being a prospect-oriented oil and gas company focused on the components to capitalize on the current commodity cycle. The Company's assets are concentrated in Southeast Saskatchewan and Central Alberta.

The Board of Directors and management continue to develop existing properties to maximize production from existing reserves and have also continued to evaluate potential transactions available to the Company with the mission to identify opportunities that may provide the best future for the Company and the shareholders with the goal to maximize shareholder value.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity is to ensure a balance between expenditure requirements and cash provided by operations and working capital. At September 30, 2024, the Company had working capital of $3.0 million ($0.2 million working capital at December 31, 2023). Changes in working capital have been primarily due to a reduction of accounts payable as of September 30, 2024, when compared to December 31, 2024, due to the timing of capital expenditures in each respective period.

In recent years, global economic conditions, financial markets, and commodity prices in particular, have experienced significant volatility and uncertainty. While the current outlook for commodity prices is relatively stable, long-term price support from future demand remains uncertain. The scale and duration of these developments remain uncertain but could impact the Company's operations, future net earnings and cash flows given that the aforementioned global events are an evolving situation that will continue to have widespread implications for the Company's business environment and financial condition. Management cannot reasonably estimate the length or severity of these global events, or the extent to which any disruption may materially impact the Company's financial position in fiscal 2024 and beyond.

The Company also faces uncertainties related to future environmental laws and climate-related regulations, which could affect the Company's financial position and future earnings. A transition to a lower-carbon society, as well as the potential impacts of climate change, could result in increased operating costs and reduced demand for oil and gas products. As a result, this could change a number of variables and assumptions used to determine the estimated recoverable amounts of the Company's oil and gas assets. The unpredictable nature, timing and extent of climate-related initiatives presents various risks and uncertainties.

Company Debt

The Company maintains a $22.5 million revolving credit facility with a syndicate of banks (the "**Credit Facility**"). At September 30, 2024, the amount drawn on the Credit Facility was $11.8 million. A review and redetermination of the borrowing base is scheduled to occur semi-annually on or before June 30 and November 30 of each year. The facility is available on a revolving basis until June 30, 2025 (the "**Term Out Date**"), at which time the facility (and the Term Out Date) may be extended for a further one-year period at the request of the Company and subject to the approval of the syndicate. Such one-year extensions may continue to occur on each subsequent Term Out Date, subject to the approval of the syndicate. Alternatively, on the Term Out Date, at the Company's discretion, the facility is available on a non-revolving basis for an additional one-year period, at the end of which time the facility would be due and payable. As the available lending limits of the facility are based on the syndicate's interpretation of the Company's reserves, commodity prices and decommissioning obligations, there can be no assurance that the amount of the available facility will not decrease at the next scheduled review.

The Credit Facility provides that advances may be made by way of direct advances, CORRA loans or letters of credit/guarantees. The facility bears interest at the bank's prime lending or CORRA rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to cash flow ratio (as defined in the lending agreement) for the most recent quarter. The CORRA loans bear interest at the prevailing CORRA rate plus an explicit stamping fee based upon the Company's debt to cash flow ratio. For the nine months ended September 30, 2024, the Credit Facility had an effective interest rate of 8.9% per annum. The Credit Facility is secured by a floating charge debenture on the assets of the Company.

The Company is required to maintain certain debt covenants throughout the term of the Credit Facility, as follows:

- Maintain a minimum liability management rating of 2.00 in the Provinces of Alberta and Saskatchewan and a minimum licensee liability rating of 1.00 in the Province of British Columbia.
- Maintain oil and gas price hedges on a minimum of 75% of Company oil and gas production for a period of not less than 12 months. Please refer to "Financial Risk Management" below for oil and gas price hedges held by the Company as of the date of this MD&A.
- Establish one-time oil and gas price hedges on 25% of Company oil and gas production for the months of July 2025 through June 2026 with such hedges eventually forming part of the 12-month rolling oil and gas price hedges on a minimum of 75% of Company oil ad gas production mentioned above as time transpires. Please refer to "Financial Risk Management" below for oil and gas price hedges held by the Company as of the date of this MD&A.
- Make expenditures of not less than $2,000,000 during each fiscal year toward asset retirement and abandonment and reclamation liabilities.
- Maintain a debt to cash flow ratio (as defined in the lending agreement) of less than 2.00. As of September 30, 2024, the Company's debt to cash flow ratio was 0.45 : 1.

At September 30, 2024, the Company was compliant with all restrictions and covenants for the Credit Facility.

PETROLEUM AND NATURAL GAS PROPERTIES

ROK's existing portfolio of core oil and gas assets are as follows:

- Southeast Saskatchewan - comprised of oil weighted conventional Frobisher and Midale prospects; and
- Kaybob Alberta - a gas-weighted, stacked multi-zone reservoir with upside locations in the Cardium, Montney, Bluesky and Dunvegan formations.

2024 realized production is as follows:

- Q3 2024: averaged 3,773 boe/d, comprised of 2,348 bbl/d of light/medium oil, 347 bbl/d of natural gas liquids and 6,467 Mcf/d of natural gas; and
- YTD 2024: averaged 3,995 boe/d, comprised of 2,210 bbl/d of light/medium oil, 405 bbl/d of natural gas liquids and 8,281 Mcf/d of natural gas.

Production decreases in Q3 2024 can be attributed to production declines after realizing higher rates in Q2 2024 from the new drills in late 2023, in addition to reduced drilling activity and a focus on debt reduction in 2024.

CORPORATE & OPERATIONAL REVIEW

As of September 30, 2024, the Company maintains low Debt to Cash Flow levels while efficiently utilizing cash flows from operations towards accretive capital endeavors in the field. This has provided capital flexibility as the Company continues its development program through the balance of 2024.

Highlights for the Company's Q3 2024 include:

- Average production of 3,773 boe/d (71% liquids)
- Drilled 2 gross (1.5 net) wells, in Southeast Saskatchewan, targeting the Frobisher formation, drilling some of the best oil wells drilled in Saskatchewan in July 2024;
- Improved Operating Netbacks of $17.24/boe in Q3 2024 versus $16.52/boe in Q3 2023; and
- Reduction on outstanding debt principal of $2.7 million from December 31, 2023.

Q3 2024 capital expenditures (including abandonment and reclamation expenditures) were $3.7 million versus a Q3 2024 budget of $3.9 million as a result of delayed operations due to rig availability. Expenditures in Q3 2024 are broken down as follows:

- Drill, Complete & Tie-In ("DCET"): $2.2 million
- Recompletions & Workovers: $0.2 million
- Facilities & Gathering Systems: $0.3 million
- Land & Seismic: $0.3 million
- Abandonment & Reclamation: $0.8 million

Given the continued volatility in the North American oil and natural gas market, the Company has elected to reduce capital expenditures by delaying the drilling of 4 net wells in Saskatchewan, thereby reducing capital expenditures by $4.0 million for the balance of 2024, with a continued emphasis on Frobisher drilling. Strategic Midale development may also occur, and pressure maintenance is expected to become a focus in the Company's more mature Midale pools over the course of 2025-26. Within the Kaybob area, the Company is expected to remain positioned to deploy capital on its Cardium oil and Montney gas development, should economics justify an investment.

GOR Disposition

In October 2024, the Company closed on the disposition of gross overriding royalty interests held by ROK on certain Saskatchewan properties for gross proceeds of $4 million. Proceeds from the disposition were utilized for further reduction of Company debt balances.

LITHIUM EXPLORATION PROJECT

In July 2021, the Company entered into an Exploration Management Agreement (the "**Lithium Agreement**") wherein the Company was issued a 25% interest in a private entity (the "**Investee**") which currently holds certain Subsurface Mineral Dispositions in Saskatchewan, with a focus on potential lithium resource prospects. Under the terms of the agreement, the Company earned its beneficial interest as ROK personnel managed specific objectives of the project. The Company satisfied all the objectives of the Lithium Agreement, and the Lithium Agreement has since terminated. The initial activities of this project were wholly funded by the Company's partner, EMP Metals Corp. ("**EMP Metals**") (who held the remaining 75% interest), up to $1.5 million. Any costs that exceeded this financial threshold were then proportionally financed by each partner based on their interest in the Investee.

In August 2024, the Company entered into a Share Exchange Agreement with EMP Metals, effective August 1, 2024 (the "**Share Exchange Agreement**") wherein ROK exchanged its 25% ownership interest in the Investee, known as Hub City Lithium Corp. ("**HCL**"), in return for 17,085,000 common shares of EMP Metals, which trades on the Canadian Securities Exchange under the trading symbol "EMPS". The Company also entered into a Management Agreement with HCL after effect of the Share Exchange Agreement wherein the Company will continue to manage and administer the operational objectives of HCL (the "**Management Agreement**") in return for an additional 1,840,000 common shares of EMP Metals in renumeration for an initial one year period of management services with an option to renew the agreement for an additional six months at a stipulated monthly fee paid in cash.

Under the Management Agreement, services include the following:

- Investigate the lithium potential of those areas, including but not limited to the property, that are considered likely to be suited to the occurrence of such resource;
- Recommend and target additional properties that are considered likely to be suited to the occurrence of lithium; and
- Make recommendations with respect to the exploration, drilling, and testing of wells or wellbores and conduct, manage and administer such exploration, drilling, testing and development activities.

The EMP common shares received by ROK as a result of the aforementioned transactions are subject to escrow provisions that were agreed upon in each of the Share Exchange Agreement and the Management Agreement. Under the escrow provisions, 50% of the EMP common shares received are to be released from escrow 24 months from closing and the remaining 50% are to be released 36 months from closing.

LITHIUM EXPLORATION PROJECT MILESTONES

In Q1 2023, HCL drilled a new vertical test well on the Viewfield property, with resulting lithium concentrations reaching up to 259 mg/l, the highest test results of lithium concentrations in a brine ever recorded in Canada, according to public record. In Q2 2023, a follow-up vertical well was drilled on the Viewfield property, with resulting lithium concentrations reaching up to 237 mg/l.

A Preliminary Economic Assessment was released in early 2024, with highlights summarized below:

- Pre-tax $1.49 billion USD NPV, at an 8% discount rate;
- Pre-tax IRR of 55% which represents a payout duration of 2.1 years;
- Total capital expenditures of $571 million USD inclusive of both direct and indirect capital costs, including $52 million USD in contingency;
- All-in operating costs of $3,319 USD per tonne Lithium Carbonate Equivalent ("**LCE**"), $40 million USD annually, including all direct and indirect costs;
- 23-year project-life producing a total of 282,090 tonnes of battery-grade lithium carbonate, an average of 12,175 tonnes LCE per year;
- Weighted average lithium concentrations of 128 mg/L from 7 target zones over the project life (range of 84 mg/L to 259 mg/L); and
- PEA encompasses approximately 11,000 net hectares, or 14% of HCL's lands in Southern Saskatchewan.

In 1H 2024, a field pilot with Koch Technology Solutions was successfully completed, which resulted in the production of lithium eluate, which will be further refined into battery-grade LCE for testing with potential offtake partners. Operations in 2H 2024 include the drilling of additional test and development wells as part of its continued evaluation, in addition to a FEED (Front End Engineering Design) study that is currently underway and expected to be completed in Q4 2024.

Currently, the project encompasses approximately 200,000 acres of leased land in Saskatchewan.

COMMITMENT SUMMARY UPDATE

As of the date of the MD&A, the Company had no contractual commitments related to service arrangements or otherwise. Future capital expenditures may come about under joint operating agreements with operator and/or non-operator partners on oil and gas production assets where the Company has a participating interest. As the Company elects to participate in future exploration and/or development programs under these joint operating agreements, the Company becomes contractually obligated to fulfill its financial commitment for these projects, or otherwise incur certain financial penalties for non-compliance as is customary under standard joint operating agreements.

DISCUSSION OF OPERATING RESULTS

Production

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Crude oil (bbl/d)	2,348	1,986	2,210	2,046
NGLs (boe/d)	347	432	405	391
Natural gas (Mcf/d)	6,467	8,647	8,281	7,961
Total (boe/d) (1)	3,773	3,858	3,995	3,764

1) Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Refer to the section entitled "Conversion Measures" at the end of this MD&A.

Oil and Natural Gas Sales

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Crude Oil	19,681,907	18,570,662	55,154,661	52,399,884
NGLs	1,284,152	1,653,398	5,103,364	5,235,168
Natural gas	382,945	1,920,044	3,764,495	6,384,502
Total	21,349,004	22,144,104	64,022,520	64,019,554

Realized Sales Prices, before Hedging

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Crude oil ($/bbl)	91.12	101.66	91.10	93.82
NGLs ($/boe)	40.23	41.63	45.96	49.03
Natural gas ($/Mcf)	0.64	2.41	1.66	2.94
Total ($/boe)	61.51	62.38	58.49	62.30

YTD 2024 production increased when compared to YTD 2023 as the Company's drilling program has effectively replaced natural production declines in existing production assets with new production. Overall year-to-date pricing was down in 2024 on account of realized natural gas and NGL prices with volatility in commodity pricing still prevalent due to ongoing global economic uncertainty, increased global conflicts, and reduced global demand, causing fluctuations in revenue per boe and overall sales revenue of the Company.

Royalties

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Total royalties	3,664,327	2,931,103	11,401,545	11,490,495
Total royalties (% of sales)	17.2%	13.2%	17.8%	17.9%
Total royalties ($/boe)	10.56	8.26	10.42	11.18

Royalties as a percentage of total oil and natural gas sales are highly sensitive to commodity prices and adjustments to gas cost allowance. Thus, royalty rates can fluctuate from quarter-to-quarter and year-to-year. While royalties as a percentage of revenues in Q3 2024 were 17.2 percent compared to 13.2 percent in the 2023 comparative period, the royalty percentages for the year-to-date period in each of 2024 and 2023 were consistent, being 17.8 percent and 17.9 percent, respectively.

The Company expects average corporate royalty rate to decrease as new wells are drilled on its existing land base, with a focus on Crown acreage in Saskatchewan, which carries a royalty holiday for the first 37,700 bbls of oil produced from each new well.

Operating Expenses

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
General operating	7,980,528	8,556,233	20,903,323	19,165,069
Processing and treatment	1,641,965	1,989,234	6,672,312	5,217,966
Transportation and gathering	812,183	750,760	2,742,533	2,295,282
Maintenance and workovers	1,265,998	2,057,033	3,661,834	5,916,491
Total operating expenses	11,700,674	13,353,260	33,980,002	32,594,808
General operating	22.99	24.10	19.09	18.65
Processing and treatment	4.73	5.60	6.09	5.08
Transportation and gathering	2.34	2.11	2.51	2.23
Maintenance and workovers	3.65	5.79	3.35	5.76
Total operating expenses ($/boe)	33.71	37.60	31.04	31.72

Operating costs include expenses incurred to operate wells, gather, treat, and transport production volumes as well as costs to perform well and facility repairs and maintenance. The Company's Q3 2024 operating expenses saw seasonal increases in the quarter due to annual lease rentals and property taxes incurred in the period, similar to the comparative period in Q3 2023. Maintenance and workover expenses have reduced in 2024, contributing to the overall decrease in operating expenses when compared to the year-to-date 2023 comparative period. The Company expects operating costs to reduce through 2024 based on focused efforts to improve operating efficiencies. Uncertainty around ongoing inflationary effects on operating costs will continue to be a contributing factor.

Gains (Losses) on Commodity Contracts

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Realized gain on commodity contracts	953,121	563,524	1,813,877	5,689,069
Unrealized gain (loss) on commodity contracts	6,954,149	(9,253,495)	798,560	(6,404,328)
Total	7,907,270	(8,689,971)	2,612,437	(715,259)

For the nine months ended September 30, 2024, the Company recognized a realized gain of $1,813,877 on risk management commodity contracts maturing in the period ($5,689,069 realized gain in the 2023 comparative period) and an unrealized gain of $798,560 on existing risk management commodity contracts to mature at a future date (2023 comparative period - unrealized loss of $6,404,328). The unrealized gains/losses reflect the mark-to-market change in fair value of the oil and gas price hedges in place as of September 30, 2024, on future oil and gas production from the Company's oil and gas assets (see below) while realized gains/losses reflect the cash settlement on oil and gas price hedges at the time of maturity of each hedge contract.

General and Administrative Expenses

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Wages & Salaries	837,246	692,531	2,382,686	2,029,161
Professional Fees	127,382	220,180	338,600	644,775
Fees, Rent, Investor Relations and Other	253,738	63,559	887,060	1,032,010
Total	1,218,366	976,270	3,608,346	3,705,946

Overall G&A expenses were up in Q3 2024 when compared to the 2023 comparative period due to increases in staff costs and other corporate costs in 2024 versus 2023. However, G&A for Q3 2024 is consistent with the quarterly average over the 2024 year.

Stock-Based Compensation

The Company recorded stock-based compensation expense of $61,939 and $310,533 for the three and nine months ended September 30, 2024 (2023 comparative periods - $235,828 and $896,944). The decreased stock-based compensation expense is a reflection of less stock options vesting over the 2024 periods versus the comparative 2023 periods.

Depletion and Depreciation

The carrying costs for property, plant and equipment directly associated with oil and gas operations, including estimated future development costs, are recognized as depletion expense in the statements of loss and comprehensive loss on a unit of production basis over proved plus probable reserves. The carrying costs of office and computer equipment are recognized as depreciation expense on a straight-line or declining-balance basis.

For the nine months ended September 30, 2024, the Company recorded depletion expense of $17,341,861 ($17,531,818 for the 2023 comparative period). Depletion is calculated based on oil and gas production on the Company's developed properties. Depreciation expense of $94,008 on leased equipment was also recognized in 2024 ($23,773 for the 2023 comparative period).

Net Finance Expenses

	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Interest income	(2,327)	(118)	(3,750)	(51,613)
Interest expense & bank charges	61,249	44,012	202,687	187,543
Debt interest expense	273,697	272,013	920,796	2,380,869
Lease liability interest expense	8,927	2,078	27,639	3,740
Accretion on debt	98,631	98,630	293,748	2,469,818
Accretion on decommissioning obligations	429,866	534,054	1,254,927	1,508,504
Total	870,043	950,669	2,696,047	6,498,861

Net finance expenses were $870,043 and $2,696,047 for the three and nine months ended September 30, 2024, respectively, compared to finance expenses of $950,669 and $6,498,861 for the comparative periods in 2023. Finance expenses include accretion on decommissioning obligations that are associated with oil and gas properties acquired, and accretion and interest expense related to existing debt in each period. Decrease in finance expenses year-over-year is a result of changes to debt structure in 2023 with reduced debt service costs resulting thereafter.

Gain on Disposition

The Company's interest in the Investee was accounted for using the equity method. As of the date of disposition of ROK's ownership in the Investee, expenditures reported by the Company's partner for project activities had reached a total of $12.3 million (December 31, 2023 - $9.4 million), with the Company's financial contribution towards the project activities equating to $2.7 million (December 31, 2023 - $2.0 million). With an assessed fair value of $8.2 million for the 17,085,000 common shares of EMP Metals received as consideration for the sale of ROK's ownership in the Investee, a resulting gain on disposition of $5.5 million was recognized at the closing of this transaction.

Unrealized Gain on Marketable Securities

The EMP common shares are accounted for as a financial asset and are measured at fair value through profit or loss at each period end. As of September 30, 2024, these marketable securities had an assessed fair value of $9.7 million, resulting in an unrealized gain of $0.9 million.

CAPITAL EXPENDITURES

For the nine months ended September 30, 2024, the Company incurred $10.1 million in capital expenditures. This included $6.6 million towards DCET activities, $1.2 million towards well reactivations, $1.1 million towards land and seismic acquisitions, and $1.2 million towards facilities and equipment.

FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The following presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk reflects the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from the Company's receivables from joint operations partners and petroleum and natural gas customers. In determining the recoverability of trade and other receivables, the Company considers the type and age of the outstanding receivables, the credit risk of the counterparties, and the recourse available to the Company. The maximum exposure to credit risk for accounts receivable and accruals, net of expected credit loss at the reporting date by type of customer was:

Carrying Amount	September 30, 2024	December 31, 2023
Oil and natural gas customers	6,504,449	7,756,737
Joint operations partners	4,864,080	4,237,670
Accruals and other	536,811	1,026,704
Total	**11,905,340**	**13,021,111**

The Company applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable and accrued receivables. The expected credit losses below also incorporate forward looking information.

Aging	September 30, 2024	December 31, 2023
0 - 30 days	7,943,697	10,011,741
30 - 90 days	920,803	1,561,514
Greater than 90 days	3,228,004	1,656,763
Expected credit loss	(187,164)	(208,907)
Total	**11,905,340**	**13,021,111**

The Company considers amounts outstanding greater than 90 days to be at greater risk of being uncollectible, unless circumstances on particular balances provide certainty of collection. Receivables normally collectible within 30 to 60 days can take longer as information requests and timing can come into effect in dealing with receivables from joint venture partners. At September 30, 2024, there were $187,164 in receivables which were considered uncollectible (December 31, 2023 - $208,907).

Liquidity risk

The table below outlines the contractual maturities of the Company's financial liabilities as at September 30, 2024:

	Less than 1 year	1-2 years	Thereafter	Total
Accounts payable	13,894,910	-	-	13,894,910
Credit Facility	-	11,783,905	-	11,783,905
Lease obligations (1)	143,427	142,874	219,348	505,649
	14,038,337	**11,926,779**	**219,348**	**26,184,464**

1) Reflects timing of lease payments on existing lease obligations

Commodity price risk

Commodity price risk is the risk that the fair value of the future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, weather and economic and geopolitical factors.

The Company manages risk associated with the changes in commodity prices by entering into a variety of risk management contracts. The Company assesses the effects of movement in commodity prices on income before tax.

As of September 30, 2024, the Company has the following commodity risk management contracts outstanding:

Derivative swap contracts (1)

	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
WTI Crude							
Volumes (bbl/d)	1,539	1,200	1,019	665	297	276	260
C$/bbl	99.31	96.76	99.23	95.98	95.98	94.62	93.46
AECO(2)							
Volumes (mmbtu/d)	5,397	5,000	5,070	2,618	1,487	1,416	1,348
C$/mmbtu	2.84	3.22	2.66	2.30	3.01	3.37	2.47

1) Prices reported are the average price for the period.
2) Includes Henry Hub swaps, AECO differential swaps and AECO swaps.

Subsequent to September 30, 2024, the Company entered into additional risk management contracts for 2025 periods.

Type of Contract	Quantity	Period	Contract Price (C$)
Swap Contracts - WTI Crude	365 bbl/d	Q3 2025	$93.66/bbl
Swap Contracts - WTI Crude	246 bbl/d	Q4 2025	$93.16/bbl
Swap Contracts - AECO	1,257 mmbtu/d	Q3 2025	$2.07/mmbtu
Swap Contracts - AECO	639 mmbtu/d	Q4 2025	$2.31/mmbtu

Foreign currency risk

The Company is exposed to the risk of fluctuations in foreign exchange rates between the Canadian dollar and the US dollar given the risk of changes in the USD/CAD exchange rate on crude oil sales based on USD benchmark prices and certain commodity contracts that are settled in USD (see above).

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. The Company is exposed to interest rate risk on the Credit Facility, with interest rates based on the bank's prime lending or CORRA rates plus applicable margins. The applicable margin charged by the bank is dependent upon the Company's debt to cash flow ratio for the most recent quarter. Fluctuations of interest rates could result in an increase or decrease in the amount ROK pays to service the variable interest rate debt.

As at September 30, 2024, if interest rates applicable to the Credit Facility were to have increased or decreased by 50 basis points, it is estimated that the Company's income before tax would similarly change by approximately $53,000 for the nine months ended September 30, 2024.

Fair value of financial instruments

The Company's financial instruments as at September 30, 2024, include, accounts receivable, accounts payable and accrued liabilities, risk management contracts, marketable securities, and debt.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in accordance with the following hierarchy:

Level 1 - inputs are based on quoted market prices in active markets that the Company has the ability to access at the measurement date.

Level 2 - inputs are based on quoted prices in the markets that are not active or based on prices that are observable for the asset or liability.

Level 3 - inputs are based on unobservable market data for the asset or liability.

The Company aims to maximize the use of observable inputs when preparing calculations of fair value. Classification of each measurement into the fair value hierarchy is based on the lowest level of input that is significant to the fair value calculation.

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to their short terms to maturity. The fair value measurement of the marketable securities have a fair value hierarchy of Level 1. The fair value measurement of the risk management contracts and debt have a fair value hierarchy of Level 2.

The fair values of financial derivatives are recurring measurements and are determined whenever possible based on observable market data. If not available, the Company uses third party models and valuation methodologies that utilize observable market data including forward benchmark commodity prices, forward interest rates and forward foreign exchange rates to estimate the fair value of financial derivatives. In addition to market information, the Company incorporates transaction specific details that market participants would utilize in a fair value measurement, including the impact of non-performance risk. The valuation technique used has not changed in the period.

Capital management

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations and potential strategic transactions for the foreseeable future. The Company is dependent upon funding these activities through a combination of available cash, debt and equity, which it considers to be the components of its capital structure as outlined below.

The Company monitors leverage and adjusts its capital structure based on its net debt level. Net debt is defined as the principal amount of its outstanding long-term obligations less adjusted working capital. In order to facilitate the management of its net debt, the Company prepares annual budgets, which are updated as necessary depending on varying factors including current and forecast commodity prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Board of Directors and updates are prepared and reviewed as required.

	September 30, 2024	December 31, 2023
Accounts receivable	11,905,340	13,021,111
Prepaids and deposits	318,624	364,090
Current portion of risk management contracts	4,816,700	4,521,075
Accounts payable and accrued liabilities	(13,894,910)	(17,560,130)
Adjusted working capital (2)	**3,145,754**	**346,146**
Credit Facility (1)	11,783,905	14,501,748
Lease obligations (1)	505,649	545,851
Less: adjusted working capital (2)	(3,145,754)	(346,146)
Net debt	**9,143,800**	**14,701,453**

1) Represents undiscounted face value of debt balances and lease obligations outstanding as of each respective date presented.
2) Calculation of adjusted working capital excludes current portion of debt and lease liabilities as presented on the statement of financial position. The mark-to-market fair value of the current portion of risk management contracts is included within adjusted working capital.

The Company regularly monitors its capital structure and, as necessary, adjusts to changing economic circumstances and the underlying risk characteristics of its assets in order to meet current and upcoming obligations and investments by the Company. The Company frequently reviews alternate financing options and arrangements to meet its current and upcoming commitments and obligations.

The Company's objectives when managing capital are: (i) to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and (ii) to maintain investor, creditor and market confidence in order to sustain the future development of the business. The Company's share capital is not subject to external restrictions with the exception of lender approval on payment of dividends.

SHAREHOLDERS' EQUITY

Common shares

The Company is authorized to issue an unlimited number of Class B Shares, with no par value, with holders of Class B Shares entitled to one vote per share and to dividends, if declared. Outstanding Class B Shares as of September 30, 2024, are as follows:

	Class B shares	Amount
Balance, January 1, 2023	211,580,484	25,853,185
Stock option exercise	603,333	146,180
Warrant exercise	6,234,498	2,052,899
Balance, December 31, 2023	218,418,315	28,052,264
Warrant exercise	1,000	291
Balance, September 30, 2024	**218,419,315**	**28,052,555**

Warrants

The Company has issued and outstanding warrants exercisable to acquire Class B Shares of the Company that were issued as part of particular financings carried out over time. A summary of the changes in warrants is presented below:

	Warrants	Weighted average exercise price
Balance, December 31, 2022	122,434,426	0.26
Warrant exercise	(4,721,949)	0.35
Warrant expiries	(4,570,600)	0.35
Balance, December 31, 2023	113,141,877	0.25
Warrant exercise	(1,000)	0.25
Balance, September 30, 2024	**113,140,877**	**0.25**

The following summarizes information about total warrants outstanding as at September 30, 2024:

Exercise prices	Number of warrants outstanding	Weighted average term to expiry (years)	Number of warrants exercisable
0.25	113,140,877	0.42	113,140,877

Stock options

The Company has a stock option plan whereby options can be granted from time to time to directors, officers, employees, and consultants at the discretion of the Board of Directors. The number of options that can be granted is limited to 10% of the total shares issued and outstanding.

A summary of the changes in stock options is presented below:

	Stock options	Weighted average exercise price
Balance, December 31, 2022	18,763,333	0.25
Options issued	1,775,000	0.39
Options exercised	(603,333)	0.15
Options forfeited	(75,000)	0.40
Balance, December 31, 2023	19,860,000	0.27
Options issued	450,000	0.30
Options forfeited	(500,000)	0.26
Balance, September 30, 2024	**19,810,000**	**0.27**
Exercisable, September 30, 2024	**18,676,660**	**0.26**

The following summarizes information about stock options outstanding as at September 30, 2024:

Exercise prices	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.15	1,600,000	0.18	1,600,000
0.25	9,910,000	2.48	9,910,000
0.28	3,900,000	1.81	3,900,000
0.30	1,900,000	3.31	1,599,999
0.35	1,075,000	3.30	716,666
0.40	1,425,000	3.42	949,995
	19,810,000	**2.35**	**18,676,660**

As of the date of this MD&A, the Company maintained balances of 218,419,315 Class B Shares, 113,140,877 warrants, and 20,895,000 stock options.

NEW ACCOUNTING STANDARDS

A number of new IFRS accounting standards, amendments to existing IFRS accounting standards, and interpretations that are effective for annual periods beginning on January 1, 2024, have been issued or published. None of these accounting pronouncements had a material impact upon initial adoption. The Company will continue to evaluate the impact of the pronouncements that are effective in future years which will be adopted on their effective dates.

USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of the financial statements are outlined below.

The Company continues to assess the impact of climate change on the financial statements. The Company is currently analyzing potential internal greenhouse gas reduction initiatives and is continually monitoring regulatory initiatives that may impact its existing businesses. The impact of these changes will be assessed in future reporting periods to ensure any changes in assumptions that would impact estimates listed below are adjusted on a timely basis.

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i) Identification of cash-generating units

The Company's assets are aggregated into cash-generating units, for the purpose of calculating impairment, based on their ability to generate largely independent cash flows. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company's assets in future periods.

ii) Impairment of property, plant and equipment

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimates with respect to forecasted production volumes, forecasted petroleum and natural gas prices, forecasted operating costs, forecasted royalties, and forecasted future development costs, discount rates, market value of land and other relevant assumptions.

iii) Income taxes

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

iv) Asset acquisitions

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities, where applicable.

i) Reserves and resource assessment

The estimate of proved and probable petroleum and natural gas reserves and the related cash flows includes significant estimates and assumptions related to: 1) forecasted petroleum and natural gas commodity prices; 2) forecasted production volumes; 3) forecasted operating costs; 4) forecasted royalty costs; and 5) forecasted future development costs. Other estimates which impact the assessment of the reported recoverable quantities of proved and probable reserves and prospective resource estimates include estimates regarding exchange rates, remediation costs, timing and production, transportation and marketing costs for future cash flows.

It also requires interpretation of geological and geophysical models in anticipated recoveries and estimates with respect to production profiles. The economical, geological and technical factors used to estimate reserves and prospective resources may change from period to period. Changes in reported reserves and prospective resources can impact the carrying values of the Company's petroleum and natural gas properties and exploration and evaluation assets and equipment, the calculation of depletion and depreciation, the provision for decommissioning obligations, the recognition of deferred tax assets due to changes in expected future cash flows, and the estimated fair value of property, plant and equipment acquired in a business combination.

The Company's petroleum and natural gas reserves represent the estimated quantities of petroleum, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be economically recoverable in future years from known reservoirs and which are considered commercially viable. Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon (i) a reasonable assessment of the future economics of such production; (ii) a reasonable expectation that there is a market for all or substantially all the expected petroleum and natural gas production; and (iii) evidence that the necessary production, transmission and transportation facilities are available or can be made available. Reserves may only be considered proven and probable if the ability to produce is supported by either actual production or conclusive formation tests. Prospective resources are determined using an externally prepared valuation report which reflects estimated prospective resources and external pricing and costs assumptions reflective of the current market. The Company's petroleum and gas reserves and prospective resources are determined pursuant to National Instrument 51-101, Standard of Disclosures for Oil and Gas Activities.

The Company uses estimated proved and probable petroleum and natural gas reserves from an independent third-party reserve evaluation to estimate the fair value of property, plant and equipment acquired and the fair value of the PP&E disposed in a business combination. Further, the Company uses estimated proved and probable petroleum and natural gas reserves to deplete its development and production assets, to assess for indicators of impairment or impairment reversal on each of the Company's CGUs and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of the CGUs.

The Company engaged independent third-party reserve evaluators to estimate proved and probable petroleum and natural gas reserves as at December 31, 2023.

For the Company's depletion calculations and impairment tests, the Company used the December 31, 2023, independent third-party reserve evaluators estimate of proved and probable petroleum and natural gas reserves.

ii) Decommissioning obligations

The Company estimates future remediation costs of production facilities, wells and pipelines at different stages of development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

iii) Business combinations

In a business combination, management makes estimates of the fair value of assets acquired and liabilities assumed as part of the acquisition transaction, which includes assessing the value of oil and gas properties based upon the estimation of recoverable quantities and cash flows from proved and probable oil and gas reserves being acquired, discounted at an estimated rate that reflects a market participants view of the risks associated with the cash flows.

iv) Share-based payments

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

v) Tax provisions

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse.

Matters relating to economic uncertainty

Estimates are more difficult to determine, and the range of potential outcomes can be wider, in periods of higher volatility and uncertainty. The impacts of the higher levels of uncertainty due to the Russian invasion of Ukraine as well as the recent Israel-Hamas war and their impact on energy markets, rising interest and inflation rates, and constrained supply chains have created a higher level of volatility and uncertainty. Management has, to the extent reasonable, incorporated known facts and circumstances into the estimates made, however, actual results could differ from those estimates and those differences could be material.

Changing regulations

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social, governance ("**ESG**") and climate reporting, the International Sustainability Standards Board ("**ISSB**") has issued its first two IFRS Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (together, the ISSB Standards). The ISSB Standards aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. Mandatory application of the ISSB Standards depends on each jurisdiction's endorsement or regulatory processes. In the Company's case, the Canadian Securities Administrators ("**CSA**") is responsible for developing climate-related disclosure requirements for reporting issuers in Canada. The CSA published Proposed National Instrument 51-107 – Disclosure of Climate Related Matters which is intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. The Canadian Sustainability Standards Board ("**CSSB**") has been established to review the ISSB Standards for their suitability for adoption in Canada. In March 2024, the CSSB published two exposure drafts: CSDS 1 - *General Requirements for Disclosure of Sustainability-related Financial Information* and CSDS 2 – *Climate-related Disclosures,* for public comment. Until such time as the CSA and CSSB make final decisions on sustainability standards for Canada, there is no requirement for public companies in Canada to adopt sustainability standards. The Company is awaiting further guidance from the CSA on their final rules.

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, licenses, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified. The Company continues to monitor the evolving ESG regulations and its potential impact on the Company.

PRINCIPAL BUSINESS RISKS

The Company's business and results of operations are subject to a number of risks and uncertainties which include, but are not limited to, the following:

Crude Oil and Natural Gas Development

Exploration, development, production of oil and natural gas involves a wide variety of risks which include, but are not limited to, the uncertainty of finding oil and gas in commercial quantities, securing markets, commodity price fluctuations, exchange and interest rate exposure and changes to government regulations, including regulations relating to prices, taxes, royalties, and environmental protection. The oil and gas industry is intensely competitive and the Company competes with a large number of companies with greater resources.

The Company's ability to obtain reserves in the future will depend not only on its ability to develop its current properties, but also on its ability to acquire new prospects and producing properties. The acquisition, exploration and development of new properties also require that sufficient capital from outside sources will be available to the Company in a timely manner. The availability of equity or debt financing is affected by many factors, many of which are beyond the control of the Company.

Addition of Reserves and Resources

The Company's future crude oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Company successfully discovering and developing or acquiring new reserves and resources. The addition of new reserves and resources will depend not only on the Company's ability to explore and develop properties but also, in the case of reserves, on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's exploration, development or acquisition efforts will result in the discovery and development of commercial accumulations of oil and natural gas.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves, including many factors beyond the control of the Company. Estimates of reserves depend in large part upon the reliability of available geological and engineering data and require certain assumptions to be made in order to assign reserve volumes. Geological and engineering data is used to determine the probability that a reservoir of oil and/or natural gas exists at a particular location, and whether, and to what extent, such hydrocarbons are recoverable from the reservoir. Accordingly, the ultimate reserves discovered by the Company may be significantly less than the total estimates.

Exploration Risks

The exploration of the Company's properties may from time to time involve a high degree of risk that no production will be obtained or that the production obtained will be insufficient to recover drilling and completion costs. The costs of seismic operations and drilling, completing and operating wells are uncertain to a degree. Cost overruns can adversely affect the economics of the Company's exploration programs and projects. In addition, the Company's seismic operations and drilling plans may be curtailed, delayed or cancelled as a result of numerous factors, including, among others, equipment failures, weather or adverse climate conditions, shortages or delays in obtaining qualified personnel, shortages or delays in the delivery of or access to equipment, necessary governmental, regulatory or other third-party approvals and compliance with regulatory requirements.

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. The Company 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. ROK 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.

Climate Change Risks

Our exploration and production facilities and other operations and activities emit greenhouse gasses ("**GHG**") which may require us to comply with federal and/or provincial GHG emissions legislation. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate our effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. Some of ROK's facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. In addition, climate change has been linked to long-term shifts in climate patterns and extreme weather conditions both of which pose the risk of causing operational difficulties.

Key Personnel

The Company's success depends in large part on the ability of its executive management team to deal effectively with complex risks and relationships and execute the Company's business plan. The members of the management team contribute to the Company's ability to obtain, generate and manage opportunities. There can be no assurance that the Company's present key personnel and directors will remain with the Company. The departure of any such key person or director may materially affect the Company's business, financial condition, results of operations, and the value of the Class B Shares.

Public Market Risk

There can be no assurance that an active trading market in the Company's securities will be sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market from time to time has experienced extreme price and volume fluctuations, which may be unrelated to the operating performance of particular companies.

Dividends

To date, the Company has not paid regular dividends on its outstanding securities and does not anticipate paying any dividends in the foreseeable future. With the exception of lender approval, there are no restrictions in the Company's articles or elsewhere which would prevent the Company from paying dividends. It is not contemplated that any dividends will be paid on the Class B Shares in the immediate future as it is anticipated that all available funds will be invested to finance the growth of the Company's business. The directors of the Company will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's earnings, financial position and other conditions at the relevant time. All of the Class B Shares are entitled to an equal share in any dividends declared and paid.

Failure to Maintain Listing of the Class B Shares

The Class B Shares are currently listed for trading on the facilities of the TSXV. The failure of the Company to meet the applicable listing or other requirements of the TSXV in the future may result in the Class B Shares ceasing to be listed for trading on the TSXV, which would have a material adverse effect on the value of the Class B Shares. There can be no assurance that the Class B Shares will continue to be listed for trading on the TSXV.

Structure of the Company

From time to time, the Company may take steps to organize its affairs in a manner that minimizes taxes and other expenses payable with respect to the operation of the Company and its subsidiaries. If the manner in which the Company structures its affairs is successfully challenged by a taxation or other authority, the Company and the holders of Class B Shares may be adversely affected.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings ("**NI 52-109**") adopted by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company are required to file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52- 109.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A offers an assessment of the Company's future plans and operations as of the date hereof and may contain forward-looking information. All statements other than statements of historical fact are forward-looking statements. Such information is generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "may", "plan", "will", "project", "should", "believe" and similar expressions. Statements relating to "reserves" or "resources" are also forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the resources and reserves described can be profitably produced in the future. All such statements involve known and unknown risks, uncertainties, and assumptions.

Management believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking information included in this MD&A should not be unduly relied upon as the plans, assumptions, intentions, or expectations upon which it is based may not occur. Actual results or events may vary from the forward-looking information.

In particular, this MD&A may contain forward-looking information pertaining to the following:

- the potential of the Company's assets,
- the Company's growth strategy and opportunities,
- performance characteristics of the Company's oil properties and estimated capital commitments and probability of success,
- crude oil production and recovery estimates and targets,

- forecasted Operating Income in future periods,
- the existence and size of the oil reserves and resources,
- capital expenditure programs and estimates, including the timing of activity,
- plans for, and results of, exploration and development activities,
- projections of market prices and costs,
- the supply and demand for oil,
- expectations regarding forecasted Net Debt balances in the future and Company expectations for servicing existing debt,
- expectations regarding the ability to raise equity and debt capital on acceptable terms, including the ability to negotiate and complete any agreements contemplated,
- the timing for receipt of regulatory approvals, and
- treatment of the Company under governmental regulatory regimes and tax laws.

The purpose of providing any financial outlook in this MD&A is to illustrate how the business of the Company might develop without the benefit of specific historical financial information. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking information herein is based on certain assumptions and analysis by the management of the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors that it believes are appropriate and reasonable under the circumstances. The forward-looking information herein is based on a number of assumptions, including but not limited to:

- the availability on acceptable terms of funds for capital expenditures,
- the availability in a cost-efficient manner of equipment and qualified personnel when required,
- the stability of the regulatory framework governing taxes and environmental matters in any jurisdiction in which the Company may conduct its business in the future,
- continuing strong demand for oil,
- the ability to market production of oil successfully to customers,
- future production levels and oil prices,
- the applicability of technologies for recovery and production of oil reserves,
- the existence and recoverability of any oil reserves,
- geological and engineering estimates in respect of resources and reserves in which the Company has an interest,
- the geography of the areas in which the Company has an interest, and
- the impact of increasing competition on the Company.

The actual results, performance and achievements of the Company could differ materially from those anticipated in these forward-looking statements as a result of the risks and uncertainties set forth elsewhere in the MD&A and the following risks and uncertainties:

- global financial conditions,
- general economic, market and business conditions,
- volatility in market prices, the stock market, foreign exchange and interest rates,
- risks inherent in oil and gas operations, exploration, development and production,
- the failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties,
- risks related to the timing of completion of the Company's projects and plans,
- uncertainties associated with estimating oil and natural gas reserves and resources,
- competition for, among other things, capital, acquisitions of resources, and skilled personnel,
- the ability to hold existing leases through drilling or lease extensions or otherwise,
- incorrect assessments of the value of acquisitions,
- claims made in respect of the Company's properties or assets,

- geological, technical, drilling and processing problems, including the availability of equipment and access to properties,
- environmental risks and hazards,
- the inaccuracy of third parties' reviews, reports and projections,
- rising costs of labour and equipment,
- the failure to engage or retain key personnel,
- changes in income tax laws or changes in tax laws and incentive programs, and
- other factors discussed under "Principal Business Risks" in this MD&A.

Readers are cautioned that the foregoing lists of assumptions, risks and uncertainties are not exhaustive. Forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. The forward-looking information speaks only as of the date of this MD&A, and the Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

SELECTED QUARTERLY INFORMATION

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited quarterly financial data prepared by management in accordance with IFRS.

Quarterly Results ($)	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Oil and natural gas sales	21,439,004	21,742,281	20,931,235	23,207,066
Oil and natural gas sales, net of royalties	17,684,677	17,960,106	16,976,192	19,304,566
Net income (loss)	10,039,846	81,503	(5,612,254)	(3,713,389)
Net income (loss) per share:				
Basic	0.05	0.00	(0.03)	(0.02)
Diluted	0.05	0.00	(0.03)	(0.02)

Quarterly Results ($)	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Oil and natural gas sales	22,144,104	17,737,937	24,137,513	23,925,141
Oil and natural gas sales, net of royalties	19,213,001	13,949,930	19,366,128	19,789,843
Net income (loss)	(7,752,269)	(326,538)	805,262	(5,556,994)
Net income (loss) per share:				
Basic	(0.04)	(0.00)	0.00	(0.03)
Diluted	(0.04)	(0.00)	0.00	(0.03)

Over the past eight quarters, fluctuations in production volumes and realized commodity prices have impacted the Company's petroleum and natural gas revenues and funds flow. Net income (loss) has fluctuated due to effects of operating results from the acquisition of new producing assets, additional financing costs, increased general and administrative expenses, and other non-cash items such as gains on acquisitions and dispositions as well as share-based compensation expense and gains/losses on risk management contracts, realized and unrealized. Capital expenditures and production volumes have fluctuated over time as a result of the timing of acquisitions and the impact of market conditions on the Company's development capital expenditures.

While sales production remained steady from prior quarter, further declines in commodity prices contributed to decreased overall sales revenue in Q1 2024. Q2 and Q3 2024 saw improved oil prices, on average, but continued decreases in natural gas and NGL prices, resulting in minimal increased sales revenue in reach respective quarter over Q1 2024. Improvements in mark-to-market valuation in Q2 and Q3 2024 of existing risk management contracts when compared to Q1 2024 as well as a realized gain on disposition in Q3 2024 were the primary factor leading to improved net operating results for to each subsequent quarter in 2024.

In Q3 2023, gains on dispositions contributed to the net income of the Company, offsetting reduced revenue per units of productions due to decreased commodity prices in the period. The continued decline of commodity prices and decreased daily production after asset dispositions executed in Q1 2023 contributed to the reduced revenue in Q2 2023. Reduced finance expenses in Q2 2023 due to the elimination of the Term Loan that carried a high interest cost softened the effects of reduced revenue on the quarter's results. Q3 2023 operating results benefited from higher production rates, higher overall commodity prices in the market, and lower realized royalties per boe despite the countering effects of higher operating expense per boe due to cyclical annual expenses incurred in Q3 2023 and ongoing effects on operating costs due to the absorption of production assets acquired earlier in the 2023 year. Non-cash items such as unrealized losses on the mark-to-market change in fair value of the oil and gas price hedges (in contrast to unrealized gains recorded in both Q1 2023 and Q2 2023) contributed significantly to the Q3 2023 net loss. Q4 2023 saw record production levels reached and decreasing operating costs per boe compared to Q3 2023. However, overall realized commodity pricing declined from the prior quarter.

Q4 2022 benefited from favorable results mainly attributable to higher overall commodity prices in 2022 and increased production from acquisitions. The quarter's results also include increased general and administrative expenses and finance expenses due to the continued growth of the Company, and the costs of new debt financing in the year to help finance that growth.

CONVERSION MEASURES AND SHORT-TERM PRODUCTION RATES

Production volumes and reserves are commonly expressed on a boe basis whereby natural gas volumes are converted at the ratio of 6 thousand cubic feet to 1 barrel of oil. Although the intention is to sum oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants, boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In recent years, the value ratio based on the price of crude oil as compared to natural gas has been significantly higher than the energy equivalency of 6:1 and utilizing a conversion of natural gas volumes on a 6:1 basis may be misleading as an indication of value.

Short-term production rates can be influenced by flush production effects from fracture stimulations in horizontal wellbores and may not be indicative of longer-term production performance or ultimate recovery of reserves. Individual well performance may vary.

ABBREVIATIONS USED

bbl	barrel	AECO	Alberta Energy Company
bbl/d	barrels per day	GJ	gigajoule
boe	barrels of oil equivalent	Mcf	thousand cubic feet
boe/d	barrels of oil equivalent per day	Mcf/d	thousand cubic feet per day
bopd	barrels of oil per day	MMBtu	million British thermal units
Mbbls	thousand barrels	MMcf	million cubic feet
Mboe	thousand barrels of oil equivalent	MMcf/d	million cubic feet per day
MMboe	million barrels of oil equivalent	Bcf	billion cubic feet
NGL	natural gas liquids	WTI	West Texas Intermediate
m^3	cubic metres	Cdn	Canadian
e^3m^3	thousand cubic metres	US	United States
CO_2	Carbon dioxide	GHG	Greenhouse gas
EOR	Enhanced oil recovery	CCUS	Carbon capture, utilization & storage
Mg/l	milligrams per liter	DCET	Drill, complete, equip & tie