PetroMaroc Corp.
Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of PetroMaroc Corp. ("PetroMaroc" or the "Company") formerly PetroMaroc Corporation plc, is dated November 27, 2018 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2017, the related MD&A and the unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2018. These financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all financial measures are expressed in Canadian dollars. This MD&A contains forward looking information based on the Company's current expectations and projections.

Additional information relating to the Company is available on SEDAR at www.sedar.com or the Company's website at www.petromaroc.co

Statements throughout this MD&A that are not historical facts may be considered "forward-looking statements" These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals or future plans are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties and actual results could differ materially from those currently anticipated. These risks and uncertainties include, but are not limited to, changes in market conditions, law or government policy, operating conditions and costs, operating performance, demand for oil and gas and related products, price and exchange rate fluctuations, commercial negotiations or other technical and economic factors. Forward-looking statements are based on current expectations, estimates and projections of future production and capital spending as at the date of this MD&A and the Company assumes no obligation to update or revise forward-looking statements to reflect new events or circumstances, except as required by law or accounting standards.

Financial outlook information contained in this MD&A about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed course of action, based on the assessment by management of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this MD&A should not be used for purposes other than for which it is disclosed herein.

Proposed Transaction

PetroMaroc entered into an arrangement agreement dated September 7, 2018 Wolverine Energy and Infrastructure Inc. ("Wolverine") and amended by an amending agreement dated November 14, 2018 (the "Arrangement Agreement"), pursuant to which Wolverine will acquire all of the issued and outstanding common shares of PetroMaroc by way of a court-approved plan of arrangement (the "Arrangement") under the provisions of the *Canada Business Corporations Act* (the "Transaction").

The closing date of the transaction will be subject to obtaining shareholder and regulatory approvals. On November 21, 2018, PetroMaroc filed a Management Information Circular available on www.sedar.com. It is anticipated that the Transaction will close in late December.

Wolverine, a privately held, Alberta-incorporated company, is an industry-leading service provider in Western Canada, providing a wide range of services including oil field rentals, heavy equipment rentals, construction and trucking services, and oil field tools. Led by a seasoned management team, Wolverine has executed eight accretive acquisitions of owner-operated companies over the past five years, growing into one of the most dedicated and diverse product offering companies in Western Canada. Wolverine has eight offices and facilities in Alberta and British Columbia.

Series 1 and 2 Debenture Repayment

On February 6, 2018, PetroMaroc had paid in full the outstanding obligations owing by the Company under the Series 1, 10% secured convertible redeemable debentures and the Series 2, 15% secured redeemable debentures which were issued effective December 31, 2016. The aggregate principal and accrued interest owing under the Debentures on January 31, 2018 (the "Maturity Date") was $9,783,218, comprised of $2,425,866 in respect of the Series 1 Debentures and $7,357,352 in respect of the Series 2 Debentures. The Company satisfied the obligations owing under the Debentures by transferring to the holders of the Debentures an aggregate of 11,284,801 ordinary shares of Sound Energy plc, and a cash payment of $272,729.

As a result of the aforementioned settlement, the Company no longer has any secured debt.

Administrative Costs

	For the three months ended September 30		For the nine months ended September 30	
Administrative	**2018**	2017	**2018**	2017
Wages	**$ 30,000**	$ 79,683	**$ 130,886**	$ 322,092
Professional fees	**197,293**	12,834	**296,473**	123,762
Consulting fees	**66,881**	35,453	**175,932**	198,652
Director fees	**32,611**	15,983	**94,036**	49,017
Stock Fees	**48,742**	414,504	**116,188**	484,304
Travel	**15,973**	2,949	**27,567**	15,918
Office expense	**6,660**	17,524	**22,428**	37,528
Bank Charges	**1,153**	1,861	**4,506**	9,406
Morocco exit costs	**-**	-	**-**	(26,142)
Other	**-**	-	**412**	848
	$ 399,313	$ 580,791	**$ 868,428**	$ 1,215,385

Administrative costs for the three month period ended September 30, 2018 were 31.2% or $181,478 lower than the comparative 2017 period and 28.5% or $346,957 lower than the comparative six month period ended September 30, 2017. The decreases are primarily related to reduced salaries as a result of completing the Sound transaction in January 2017 and the restructuring of the Company's debts and director fee reductions and eliminating all office leases. The professional and consulting fees in 2018 primarily relate to due diligence costs with respect to the Company signing the letter of intent and Arrangement Agreement with Wolverine. The Company is prudently monitoring its administrative expenditures in light of its minimal operational activities whereby all non-essential costs are being eliminated.

Stock Compensation

This expense represents the fair value of the Company stock options at the grant date as options granted under the current plan vest at the date of the grant and are expensed using the graded vesting method. The options are non-transferable. The future expense will vary as it is dependent on the number and vesting provisions of future stock option grants.

Taxes

Presently the Company does not expect to pay corporate taxes in the foreseeable future. However, the current tax horizon will ultimately depend on several factors including equity markets for oil companies, future revenue from the net profits interest, corporate expenses, and both the type and amount of capital expenditures incurred in future reporting periods.

Liquidity and Capital Resources

At September 30, 2018, the Company had a working capital surplus of $2.91 million. In April 2018, the remaining 4,658,705 Sound shares were disposed for proceeds of $3,316,250.

With respect to the Zag Licence, the Company committed to its percentage share of further geophysical studies and the drilling of one exploration well, subject to receiving and approving a satisfactory proposal from the Operator, as per the terms of the First Extension Period. Following the joint venture not completing the minimum work commitment of the First Extension Period, a twelve-month extension to the First Extension Period to May 2016, was agreed by the joint venture. During the twelve-month extension the Company continued to seek a mutually agreed technical, commercial and financial proposal to reduce its financial exposure insofar as possible. In March 2017, ONHYM advised the Operator and the Company that the bank guarantee had been deemed forfeited, and in addition, that the joint venture should pay the residual penalty, $0.78 million net to the Company (USD $0.6 million), to ONHYM. In 2016 the Company accrued approximately $0.78 million (US$0.6 million) in penalty costs based on its working interest in the joint venture. In September 2018, the Company reversed the accrual, having previously notified ONHYM that a "force majeure" has occurred pursuant to the Zag Petroleum Agreement due to financial, commercial and operational challenges on the licence over a number of years.

The Company currently does not have any long-term lease agreements in place.

The Company has no off-balance sheet arrangements.

Financial Instruments

Risks associated with market, interest and exchange rates are generally beyond the control of the Company.

The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currency other than the Canadian Dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in foreign currencies. The Corporation currently incurs expenditures in Pound Sterling, Euros and Canadian Dollars and is exposed to fluctuations in exchange rates in these currencies. There are no fixed exchange rate contracts in place as at or during the periods ended December 31, 2017 and September 30, 2018 or thereafter. The Company has nominal foreign cash balances at September 30, 2018.

Outstanding Share Data

The Company has authorised an unlimited number of Common shares, without par value. The Company currently has 155,830,864 common shares outstanding as of the date of this MD&A. The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price	Number	Total Number
Common shares				155,830,864
Options	April 30, 2019	$0.30	2,740,000	
	July 22, 2020	$0.05	4,470,000	
	May 18, 2022	$0.09	900,000	
	March 30, 2023	$0.05	5,000,000	
				13,110,000

Summary of Quarterly Results

($ thousands)	Three months ended September 30, 2018	Three months ended June 30, 2018	Three months ended March 31, 2018	Three months ended December 31, 2017
Net (loss) income	486	(230)	(559)	1,751
(Loss) profit per share (basic & diluted)	0.00	(0.00)	(0.00)	0.02
Fair value of securities	-	-	3,954	13,633
Working capital surplus (deficit)	2,914	2,428	3,286	3,897
Total assets	3,100	3,389	4,263	14,428

($ thousands)	Three months ended September 30, 2017	Three months ended June 30, 2017	Three months ended March 31, 2017	Three months ended December 31, 2016
Net (loss) income	3,542	(3,099))	15,391	(679)
(Loss) profit per share (basic & diluted)	0.03	(0.03)	0.15	(0.01)
Fair value of securities	12,980	17,095	17,116	-
Working capital surplus (deficit)	698	5,462	5,428	(13,260)
Total assets	13,967	14,204	18,843	12,493

In the third quarter of 2018, the net income is primarily due to the Company reversing an accrued payable of $780,000 (US - $600,000) and settling with certain vendors resulting in a reduction of $59,291 in trade payables.

In the first quarter of 2018, the decrease in total assets and the fair value of securities in the quarter was due to the transfer of 11,284,801 Sound Energy plc shares to settle the $8.27 million due to the series 1 and 2 debenture holders.

During the 2017 fourth quarter, the Company revalued the derivative liability associated with the Series 1 Debentures, which resulted in a $0.78 million income inclusion. Finance costs on the Series 1 and 2 Debentures were approximately $0.51 million in the quarter.

The net loss in the 2017 second and third quarters was primarily as a result of the revaluation of the derivative liability associated with the Series 1 Debentures.

During the first quarter of 2017, the net income was primarily due to the Company completing the transaction with Sound resulting in a $14.14 million gain on the disposal of the exploration and evaluation assets and certain debt settlements of approximately $1.38 million. PetroMaroc also restructured the convertible debentures and loans payable by issuing Series 1 and 2 debentures.

The working capital surplus in the first quarter of 2017 compared to the 2016 quarters was due to the completion of the Sound transaction and repaying certain interest and finance charges as a result of disposing 5,314,502 Sound shares for net proceeds of $5.31 million.

Critical Accounting Estimates

A summary of the significant accounting policies is contained in Note 2 to the consolidated financial statements. These accounting policies are subject to estimates and key judgments about future events, many of which are beyond PetroMaroc's control. The following is a discussion of the accounting estimates that are critical to the financial statements.

Accruals and Provisions

The consolidated financial statements include accruals and provisions based on the interpretation by management of the terms of existing licences and commitments. Best available information is used to determine the accruals at each period end. The Company is at varying stages of negotiations with certain partners to settle differences in opinion of the obligations of each party under existing agreements. The accruals made by management in this regard may be significantly different from those determined by PetroMaroc's partners or amounts agreed to as a result of negotiations. The effect on the consolidated financial statements resulting from such adjustments, if any, may be material and will be reflected prospectively.

Share based payments

Stock options issued to employees and directors under the Company stock option plan are accounted for using the fair value method of accounting for stock-based compensation. The fair value of the option is recognised as a share based payment and contributed surplus over the vesting period of the option. Share based payment is determined on the date of an option grant using the Black-Scholes option pricing model. The Black-Scholes pricing model requires the estimation of several variables including estimated volatility of PetroMaroc's stock price over the life of the option, estimated option forfeitures, estimated life of the option, estimated risk-free rate and estimated dividend rate. A change to these estimates would alter the valuation of the option and would result in a different related share based payment.

Investment recoverability
The recoverability of investments are dependent on the liquidity of investments shares, which is based in part on its performance. The Company will assess at each reporting period whether there is any objective evidence that a financial asset has been impaired. When the fair value of the investment cannot be derived from active markets, they are determined using recent transactions or a variety of valuation techniques that may include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Income taxes
PetroMaroc follows the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Current tax is the expected Corporation tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting year end, and any adjustment to tax payable in respect to previous periods. Tax interpretations and legislation in which the Company operates are subject to change. Thus income taxes are subject to measurement uncertainty and interpretations.

New Accounting Pronouncements

IFRS 9 – Financial Instruments

On January 1, 2018 PetroMaroc adopted IFRS 9 Financial Instruments with no material transitional impact on the financial statements. IFRS 9 contains three classifications for financial assets: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The new classifications are based on an entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The previous IAS 39 Financial Instruments: Recognition and Measurement classifications of held to-maturity, loans and receivables and available-for-sale have been eliminated. In addition, IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" impairment model that applies to financial assets measured at amortized cost. Under IFRS 9, credit losses, if any, may be recognized earlier than under IAS 39. PetroMaroc's financial assets (cash and other current assets) are measured at amortized cost and the adoption of IFRS 9 did not result in any adjustment to the carrying amount of the related assets. The Company's investment in the Sound shares was classified as available-for-sale and already classified as FVOCI.

There was no change to the classification of accounts payable and accrued liabilities, classified as "other financial liabilities" and are measured at amortized cost.

Future Accounting Pronouncements

IFRS 16 – Leases
In January 2016, the International Accounting Standards Board (“IASB”) issued IFRS 16, which will supersede IAS 17, Leases. Under IFRS 16, a lease will exist when a customer controls the right to use an identified asset as demonstrated by the customer having exclusive use of the asset for a period of time. IFRS 16 effectively removes the classification of leases as either finance or operating and treats all leases as finance leases for lessees with exemptions for short-term leases where the lease term is twelve months or less and for leases of low value items. The accounting treatment for lessors will remain largely the same as under IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted,

The Company is required to retrospectively apply IFRS 16 to all existing leases as of the date of transition and has the option to either: a) apply IFRS 16 with full retrospective effect; or b) recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening equity at the date of initial application. The standard will be effective on January 1, 2019 for the Company. As the Company currently has no leases in place, the standard is not expected to have a material impact on the consolidated financial statements.

Risks and Uncertainties

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of PetroMaroc. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, are not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below.

Concentration Risk

Concentration risk is the risk that any single or group of exposures will have the potential to produce losses large enough to threaten the ability of an entity to continue operating as a going concern. The Company's investment in Sound is currently its sole investment and is subject to changes in market prices and foreign exchange movements as the company’s shares are traded in Sterling.

Sound is an international exploration and production ("E&P") company and is exposed to the risks typically associated with other international E&P companies. Some of the more significant risks include:

• a prolonged decline in crude oil, natural gas liquids and natural gas and the effect on credit liquidity and access to capital;
• volatility in oil and gas prices;
• uncertainties associated with drilling and well stimulation activities;
• access to adequate bank and equity capital for significant capital investment; and,
• actual reserves will vary from reserve estimates.

Operational risk

This category encompasses a number of risks. The Company follows prudent industry practices with respect to insurance where practicable and as guided by external experts but cannot fully insure against all risks. With respect to non-insurable operating risks, management has designed business process controls and accountability to identify problems at the earliest possible occasion and implement solutions. However, investors must appreciate that operational risk is very much a characteristic of the individual businesses and industries and can never be entirely eliminated.

Staffing

The Company operates in a very competitive environment for professional staff and this staff is critical to the organization's ultimate success. Recognizing this, the Company has developed an industry competitive, compensation program including bonuses based on annual performance, benefits and a long-term incentive program to provide for long-term incentive and retention.

PetroMaroc common shares

The market price of the Company's common shares could fluctuate significantly as a result of many factors, including the following:
• economic and stock market conditions generally and specifically as they may impact participants in the investment fund industry;
• our earnings and results of operations and other developments affecting the business;
• changes in financial estimates and recommendations by securities analysts following PetroMaroc's common shares;
• earnings and other announcements by, and changes in market evaluations of, participants in the investment fund industry;
• changes in business or regulatory conditions affecting participants in the investment fund industry; and
• trading volume of PetroMaroc 's common shares.

In addition, the financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance of such companies. Accordingly, the market price of the Company's common shares may decline even if PetroMaroc 's operating results or prospects have not changed.

Confidentiality of Information

Confidentiality is essential to the success of the Company's business, and it strives to consistently maintain the highest standards of trust, integrity and professionalism. Information is kept under strict control in compliance with all applicable laws, and physical, procedural, and electronic safeguards are maintained in order to protect this information from access by unauthorized parties.

Conflicts of Interest

The Company has a number of policies with respect to employee personal trading. Employees may not trade any of the securities held or being considered for investment by the Company. In addition, employees must receive prior approval before they are permitted to buy or sell any securities. Speculative trading is strongly discouraged. All employees must comply with the Company's Code of Ethics. The code establishes strict rules for professional conduct including the management of conflicts of interest.

Dividends

The Company has neither declared nor paid any dividends on its ordinary shares since the date of its incorporation. Any payments of dividends on the ordinary shares of the Company will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.