MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated April 18, 2023 and should be read in conjunction with the audited consolidated financial statements of Criterium Energy Ltd. (formerly Softrock Minerals Ltd.) ("Criterium" or the "Company") for the years ended December 31, 2022 and 2021. Criterium prepares its audited consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as set out in Part 1 of the Handbook of the Canadian Institute of Chartered Professional Accountants.

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A that are not based on historical facts constitute forward-looking information. Forward-looking information is not a promise or guarantee of future performance but is only a prediction that relates to future events, conditions or circumstances or the Company's future results, performance, achievements or developments and is subject to substantial known and unknown risks, assumptions, uncertainties and other factors that could cause the Company's actual results, performance, achievements or developments in its business or industry to differ materially from those expressed, anticipated or implied by such forward-looking information. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for the introduction or enhancement of its services and products, statements concerning strategies or developments, statements about future market conditions, supply conditions, end customer demand conditions, channel inventory and sell through, revenue, gross margin, operating expenses, profits, forecasts of future costs and expenditures, and other expectations, intentions and plans that are not historical fact. The forward-looking statements in this MD&A are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. Specifically, management has assumed that the Company's performance will meet management's internal projections. While management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Readers are also advised to consider such forward-looking statements in light of the risk factors and uncertainties that may affect the Company's actual results, performance, achievements or developments.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and the Company's business may be found in the Company's other filings.

OVERVIEW

The Company was incorporated on March 24, 1994 pursuant to the provisions of the Alberta Business Corporations Act. The Company is an oil and gas exploration company involved in the exploration and development of the Bulu PSC located in Indonesia. At present, none of the Company's interest in the Bulu PSC is at commercial development or production stage. In addition, the Company currently holds non-operated gross overriding royalty interests in producing oil and gas properties in Alberta within the Grand Forks and Charlie Lake formations.

Bulu PSC

Criterium entered into a binding agreement dated December 20, 2022 with a subsidiary of Mitsui E&P Australia Holdings Pty Ltd ("MEPAU"), an arm's length third party to Criterium, for the acquisition through a wholly-owned subsidiary of Criterium of the outstanding shares in AWE Asia Limited, a New Zealand registered company which owns a 42.5% non-operated working interest in the Bulu PSC via a wholly owned subsidiary also registered in New Zealand.

Pursuant to the binding agreement, Criterium agreed to pay MEPAU a total of approximately US$1.6 MM in cash which consisted of a US$1.0 MM purchase price plus working capital adjustments of approximately US$600,000. The agreed cash payment schedule is five installments as follows: The first cash payment of US$400,000 is “the Closing Installment”. The Closing Installment was made by Criterium concurrently with the execution of the binding agreement and transfer of ownership of the shares of AWE Asia Limited was completed. The remaining four payments are US$300,000 at each of March 31, June 30, September 30, and December 31, 2023. Criterium funded the Closing Installment and the March 31 payment and will fund the remainder of the purchase price for the Acquisition and near-term operating costs from cash on its balance sheet. There are no finders' fees payable by Criterium in respect of the Acquisition.

As a result of this Acquisition, Criterium, through its wholly owned subsidiary and AWE Asia Limited became a 42.5% non-operated holder of the Bulu PSC. The remaining 57.5% participating interest in the Bulu PSC is held between the operator Kris Energy (Satria) 42.5% and two local partners, Satria Energindo 10% and Satria Wijaya Kusuma 5%.

The Bulu PSC is located 65 km offshore of East Java in water depths of approximately 50m. The Bulu PSC contains the Lengo gas field which was discovered in 2008 by the Lengo-1 well which flow tested 12.9 MMscf/d and appraised in 2013 by the Lengo-2 well which flow tested 20.6 MMscf/d. The drilling results confirmed the top Kujung carbonate reservoir at approximately 700m True Vertical Depth Sub Sea (TVDSS) with a gross gas column of approximately 70m, consistent with indicators on 3D seismic. The reservoir is a high-quality carbonate reservoir with an average porosity of 26%.

The Kujung reservoir is a mid to lower Miocene carbonate build-up at a depth of approximately 700 meters and consists of an upper red algal zone and lower reefal zone that are in pressure communication. Following the successful appraisal program an independent report was issued in accordance with the Petroleum Resources Management System. Criterium commissioned an updated COGEH compliant independent report confirming the resource estimates and released this information on February 8, 2023. The plan of development was submitted and approved in 2014 and consists of an initial 4 well development with a pipeline delivering produced gas to the Tuban area in East Java. It is anticipated the production plateau will be 60 – 80 MMscf/d gross. The Lengo gas contains impurities, including 13% CO_2 which is common in many Indonesian basins. The CO_2 will be removed to meet pipeline specifications and Criterium will explore potential carbon sequestration options to mitigate environmental impacts.

The Bulu PSC was signed in 2004 and there are no outstanding commitments associated with exploration or relinquishment. All capital costs are recoverable under the cost recovery scheme and past exploration and appraisal costs have resulted in an approximate US$100 MM gross cost recovery pool (net US$42.5 MM). Criterium will benefit from the recovery of these costs in the initial production years of the field.

To support surging domestic demand and reduce the reliance on imports, Indonesia aims to boost domestic oil production from present day production of 616,000 bbl/d to 1,000,000 bbl/d by 2030 and natural gas from present day production of 5.3 bcf/d to and 12 bcf/d, also by 2030. Production from the Lengo gas field will support this objective by feeding natural gas into one of Indonesia's largest industrial hubs in East Java.

The Heads of Agreement was signed in August 2022 between the Bulu PSC Partners and an industrial end user in East Java. The gas will be used to supply the growing industrial demand and feed current infrastructure or upgrades to existing facilities. Gas prices reflect the increased demand and dwindling supply and are anticipated to be in the range of $6 - $8/MMbtu on a long term take or pay contract once a final Gas Sales Agreement (“GSA”) is signed.

Charlie Lake

Criterium currently holds a 2.5% gross overriding royalty (“GORR”) on two producing wells in the Charlie Lake formation in Northwest Alberta.

Grand Forks

Criterium currently holds a 3% GORR on three producing wells in the Grand Forks formation in Southern Alberta.

NOTABLE EVENTS

On July 12, 2022, the Company announced a proposed recapitalization transaction (the “Transaction”). Under the Transaction, the Company completed a non-brokered private placement of units at $0.04 per unit consisting of one common share and one purchase warrant to purchase one common share at $0.04 per share. The minimum gross proceeds under the offering was $3 million with a stated maximum of $5 million. In addition, the Company would appoint a new management team, restructure the Board of Directors, and change its name from Softrock Minerals Ltd.

On September 8, 2022, the above Transaction was approved by the shareholders of the Company.

On September 26, 2022, the Company closed the Transaction, having received total gross proceeds of $5.38 million. As a result, the following individuals were appointed as the new management team, Robin Auld as Chief Executive Officer, Henry Groen as Chief Financial Officer, Matthew Klukas as Chief Operating Officer, and Hendra Jaya as Director, Indonesia. In addition, Robin Auld and Brian Anderson were appointed to the Board with one continuing director, Michèle Stanners.

In connection with the appointment of the new management team, the Company issued 1,786,324 Common Shares at $0.04 as severance to the former executives of the Company.

The Company completed the financing, resulting in the issuance of 134,497,660 common shares of the Company for gross aggregate proceeds of approximately $5.38 million. Each Unit was comprised of one common share of the Company ("Common Share") and one common share purchase warrant ("Warrant"). Each Warrant will entitle the holder thereof to acquire one Common Share prior to the date that is five years from the date of issuance of the Warrant at an exercise price of $0.04. The warrants issued under the 2022 Private Placement vested and became exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares on the TSXV (the "Market Price") equal to or exceeding $0.055 per common share, an additional one-third upon the Market Price equal to or exceeding $0.065 per common share and the final one-third upon the Market Price equal to or exceeding $0.08 per common share. The expiry date of these warrants is September 26, 2027. These warrants have all vested as the three thresholds have been met but are not available to be exercised until the Company undertakes to consolidate the warrants at an exercise price of $0.05 per common share.

Proceeds from the Private Placement are being used to increase Criterium’s working capital position, for general corporate purposes, for future acquisitions of upstream energy assets, and supporting the New Management Team’s strategy of building a portfolio of free cash flow generating assets with the ability to generate returns for shareholders.

The Common Shares and Warrants issued in connection with the Private Placement, and the Common Shares issuable on exercise of the Warrants, will be subject to a Canadian statutory hold period of four months plus one day from the closing of the Private Placement in accordance with applicable securities legislation.

On November 28, 2022, the Company announced the appointment of Mr. David Dunlop to the Board of Directors with immediate effect. Mr. Dunlop is well-credentialed, with a Chartered Accountant designation, an MBA from the Kellogg Schulich School of Business, a Certified Financial Analyst (CFA), a ICD.D designation from the Institute of Corporate Directors and a Bachelor of Commerce from the University of Alberta.

On December 20, 2022, the Company closed the acquisition of the 42.5% working interest in the Bulu PSC, which contains the fully appraised Lengo gas field located offshore East Java Indonesia for total consideration of $1.6 million USD.

OVERALL PERFORMANCE

Key Performance Indicators

		2022		2021
Royalty revenue	$	**187,838**	$	158,935
Net income (loss)	$	**(1,323,145)**	$	65,574
Income (loss) per share	$	**(0.01)**	$	0.00
Total assets	$	**6,337,199**	$	159,500
Purchase of exploration and evaluation assets	$	**2,234,563**	$	-

The Company incurred a net loss of $1,323,145 for the year ended December 31, 2022 compared to net income of $65,574 for the year ended December 31, 2021. This increased net loss is attributed to increased expenses incurred for professional fees of $608,665 due to higher legal fees on the recapitalization transaction, an increase in consulting fees of $345,498 from the various consultants due to the change in management and consultants used for various project evaluations, salary and benefits of $214,893 due to the addition of employees during the year, increase in share-based compensation of $156,363 resulting from the issuance of shares for severance and the granting of stock options during the year, and the recognition of prior and current year stock options vesting as well as restricted share units ("RSUs") vested at December 31, 2022. In addition, the Company incurred $97,300 of general and administration expenses mainly resulting from transfer agent and filing expenses, insurance, IT support and rent charges. During the year, the Company incurred $37,710 of travel expenses to support the Company's Indonesia operations.

At December 31, 2022, the Company had assets of $6,337,199 compared to $159,500 as at December 31, 2021. The increase in assets is due to the issuance of common shares under the recapitalization transaction and the subsequent Bulu PSC acquisition.

Results of Operations

		2022		2021
Royalty revenue	$	**187,838**	$	158,935

For the year ended December 31, 2022, the Company earned $187,838 of royalty revenue compared to $158,935 for the comparative period, representing an increase of $28,903. The increase is due to the increase in commodity prices in the year.

		2022		2021
Professional fees	$	**608,665**	$	75,184

For the year ended December 31, 2022, the Company incurred $608,665 of professional fees compared to $75,184 for the comparative period, representing an increase of $533,481. The increase in the professional fees is the result of the legal fees related to share issue, management contracts, and general corporate matters.

		2022		2021
Consulting fees	$	**345,498**	$	-

For the year ended December 31, 2022, the Company incurred $345,498 of consulting fees compared to nil for the prior year ended 2021. The increase is related to the increase in consultants resulting from the management change and the additional consultants used for project evaluations.

		2022		2021
Salaries and benefits	**$**	**214,893**	$	-

During the year ended December 31, 2022, the Company incurred $214,893 of salaries and benefits compared to nil for the same period ended December 31, 2021. During the year, the Company hired several employees, resulting from the change in management and the addition of employees as the Company increased activity.

		2022		2021
Stock-based compensation	**$**	**164,513**	$	8,150

Stock-based compensation increased $156,363 to $164,513 for the year ended December 31, 2022 compared to $8,150 for the year ended December 30, 2021. The increase in stock-based compensation is related to the severance shares issued during the year and the expense on the stock options issued.

		2022		2021
General and administration	**$**	**97,300**	$	32,843

For the year ended December 31, 2022, the Company incurred $97,300 of general and administration expenses, an increase of $64,457 over $32,843 for the year ended December 31, 2021. These expenses relate to the fees associated with the transfer agent, which increased year-over-year due to the share issuances, IT expenses, insurance and rent incurred during the year.

		2022		2021
Travel	**$**	**37,710**	$	-

During the year ended December 31, 2022, the Company incurred $37,710 of travel expenses compared to nil in the prior year. The increase is due to travel to Indonesia for operational purposes.

		2022		2021
Decommissioning liability revisions	**$**	**10,420**	$	42,265

Decommissioning liability revisions were $10,420 for the year ended December 31, 2022 compared to $42,265 for the year ended December 31, 2021. This expense is related to the revaluation of the decommissioning liability.

		2022		2021
Government grants	**$**	**9,500**	$	43,282

During the year ended December 31, 2022, the Company incurred $9,500 of Government grants compared to $43,282 in the prior year. The decrease in Government grants is due to the lower amounts received from the Government of Alberta on the Site Rehabilitation Programs.

		2022		2021
Gain on sale of exploration and evaluation assets	**$**	**-**	$	25,000

During the year ended December 31, 2021, the Company recognized a gain of $25,000 from the sale of fully impaired mineral property claims. No such transactions occurred during 2022.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Management has determined that cash flows for operating, exploration and evaluation expenses, and general and administrative expenses will be funded by Criterium's existing cash on hand. Any expected short fall of cash required for these expenses will be funded by the issuance of common shares through private placements.

Cash Flow Summary

		2022		2021
Cash on hand, January 1	**$**	**54,715**	$	53,967
Cash flow used in operations		**(779,979)**		(24,252)
Cash flow used in financing activities		**5,055,298**		-
Cash flow from investing activities		**(609,283)**		25,000
Cash on hand, December 31	**$**	**3,720,751**	$	54,715

Cash flow used in operations for the year ended December 31, 2022, was $779,979 resulting from the net loss incurred during the year for expenses related to the recapitalization of the Company and the day-to-day operations of the Company. Cash flow used in operations for the period ended December 31, 2021 was $24,252 resulting from the net income incurred for the day-to-day management of the Company. In addition, fluctuations from non-cash working capital resulted in cash inflow of $48,481 for the period ended December 30, 2021 resulting from the timing of payment of the accounts payable and accrued liabilities.

Cash flows from financing were $5,055,298 for the year-ended December 31, 2022. During the year, the company completed a private placement for gross proceeds of $5,379,906 and paid $312,883 of share issue costs. As a result of the Bulu PSC acquisition, the Company has a $1,625,280 payable for the remaining balance owing on the acquisition. In addition, the Company incurred $11,725 of lease principal and interest payments on the office and furniture lease obligations. Criterium did not have any cash flows from financing for the year-ended December 31, 2021.

For the year ended December 31, 2022, the Company incurred $609,283 of cash expenses from investing activities resulting from the acquisition of the Bulu PSC.

During the year ended December 31, 2021, the Company had proceeds from the sale of mineral claims of $25,000.

The following table represents the net capital of the Company:

		2022		2021
Shareholders' equity	**$**	**4,012,286**	$	109,562
Net capital	**$**	**4,012,286**	$	109,562

Criterium uses net working capital to monitor leverage. The net capital is the result of the issuance of common shares offset by the operating loss of the Company in the current period.

Working Capital

The Company has working capital of $1,719,745 (2021 – $67,357) as at December 31, 2022. The working capital is comprised of current assets of $3,907,961 (2021 - $117,295) and current liabilities of $2,188,216 (2021 - $49,938).

Current assets is comprised of cash of $3,720,751 (2021 - $54,715), amounts receivable of $160,829 (2021 - $50,080) consisting of trade receivables and GST receivable, and deposits of $26,381 (2021 - $12,500) comprising of various prepaid expenses.

Current liabilities is the result of accounts payable of $507,555 (2021 - $20,000) includes payroll liabilities, and various vendors' operating expenses, acquisition payable of $1,625,280 (2021 – nil) due to the amounts owing on the Bulu PSC acquisition, lease obligations of $24,370 for the principal amount on the office and furniture lease, and $31,011 of decommissioning liabilities for the site cleanup of shut-in wells.

Contractual Obligations

The Company has a number of financial obligations that are incurred in the ordinary course of business. These obligations are:

Accounts payable and accrued liabilities of $507,555 payable in 2023.

Ongoing decommissioning liabilities for site cleanup of shut-in wells which are expected to be completed within 2023.

Principle office lease obligation payments of $161,067 over the next 5 years;

- 2023 $ 24,370
- 2024 – 2027 $136,697

Bulu transaction installment payments to be completed in 2023;

- On or before March 31, 2023 $300,000 USD;
- On or before June 30, 2023 $300,000 USD;
- On or before September 30, 2023 $300,000 USD; and
- On or before December 31, 2023 $300,000 USD

Contingencies

Contingent liabilities

The Company does not have any contingent liabilities.

Contingent assets

The Company does not have any contingent assets.

SELECTED QUARTERLY FINANCIAL INFORMATION

	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022	Mar 31, 2022
Revenue	$ 40,529	$ 44,573	$ 62,868	$ 39,868
Net income (loss)	(746,378)	(616,594)	24,214	15,613
Loss per share	(0.01)	(0.01)	0.00	0.00

	Dec 31, 2021	Sept 30, 2021	Jun 30, 2021	Mar 31, 2021
Revenue	$ 39,776	$ 39,943	$ 32,278	$ 48,520
Net income (loss)	22,851	(9,568)	5,323	46,968
Loss per share	0.00	0.00	0.00	0.00

During the three-months ended December 31, 2022, the Company incurred a net loss of $746,378. The loss is attributed to professional fees of $200,175 resulting from legal fees for general corporate purposes, consulting fees of $231,518 due to increased consultants used for day-to-day operations of the Company, and general and administrative expenses of $47,549 due to increased head office cost from the increased activity.

For the three-months ended September 30, 2022, the Company incurred a net loss $616,594 with the recapitalization of Criterium that took place in September, the Company incurred one-time costs of

$392,355 for professional fees and $103,806 related to stock-based compensation. Key management salaries, director's fees and consulting costs of $108,514 further contributed to the loss.

For the three months ended June 30, 2022, the Company had net income of $24,214. The income was attributed to royalty revenue of $62,671 offset by operating expenses of $4,337, professional fees of $15,818, and general and administrative expenses of $18,499.

For the three-months ended March 31, 2022, the Company had net income of $15,613, which is the result of royalty revenue of $39,770 offset by operating expenses of $2,624, professional fees of $5,784, and general and administrative expenses of $15,847.

During the three months ended December 31, 2021, the Company incurred net income of $22,851 which consisted of royalty revenue of $38,479 offset by stock-based compensation of $2,037, professional fees of $13,382, general and administration expense recovery of $2,395, and a revision to the decommissioning liability $42,265.

For the three-months ended September 30, 2021, the Company incurred a net loss of $9,568. The loss is attributed to professional fees of $41,772, general and administration expenses of $5,183, and $2,557 of operating expenses. This was offset by royalty revenue of $39,802.

For the three-months ended June 30, 2021, the Company had net income of $5,323 resulting from royalty revenue of $32,279 which was offset by professional fees of $13,395 and general and administration expenses of $15,664 offset by operating cost recovery of $2,104.

For the three-months ended March 31, 2021, Criterium had net income of $46,968. The income is attributed to royalty revenue of $48,375 and a gain on the sale of mineral properties of $25,000. This was offset by operating expenses of $5,526, professional fees of $6,635, and general and administrative expenses of $14,391.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Exploration and evaluation assets

The Company has acquired exploration and evaluation assets, which consists of oil and gas properties, for use in its business activities. Depletion is recognized using the unit of production basis, once available for use, based upon management's estimate of the useful life.

Taxes

The determination of taxes is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for taxes. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

Going concern

While Management believes the Company will have sufficient cash to discharge its obligations in the normal course of operations for the short-term, future operations will be dependent upon the raising of sufficient capital, the development of profitable operations and the corresponding generation of future cash flows. Management believes the going concern assumption is appropriate for these consolidated financial statements. The Company has been successful to date in obtaining financing. However, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. If the going concern assumption were not appropriate for these consolidated financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

Impairment of non-current assets

To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Decommissioning and restoration provision

The decommissioning and restoration provision is based on future cost estimates using information available at the reporting date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent, and costs of required decommissioning and restoration activities. Actual costs may differ from these estimates.

FUTURE ACCOUNTING PRONOUNCEMENTS

Several new accounting standards, and amendments to standards and interpretations, have been issued but are not yet effective for the current period ended December 31, 2022. None of these changes have been early adopted nor are they considered by management to be significant or likely to have a material impact on the Company's consolidated financial statements.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk is inherent in all business activities and cannot be eliminated. However, shareholder value can be maintained and enhanced by identifying, mitigating, and where possible, insuring against these risks. The following section addresses some, but not all, risk factors that could affect Criterium's future results, as well as activities used to mitigate such risks. These risks do not occur in isolation but must be considered in conjunction with each other.

The Board of Directors has overall responsibility for the establishment and oversight of Criterium's risk management framework. The Board is responsible for developing and monitoring Criterium's compliance with risk management policies and procedures.

Criterium's risk management policies are established to identify and analyze the risks faced by Criterium, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Criterium's activities.

Financial risks and financial instruments

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

		2022		2021
Financial assets				
Cash	**$**	**3,720,751**	$	54,715
Amounts receivable		**160,829**		50,080
Reclamation deposit		**42,655**		42,205
Total financial assets	**$**	**3,924,235**	**$**	**147,000**
Financial liabilities				
Accounts payable and accrued liabilities	**$**	**507,555**	$	20,000
Acquisition payable	**$**	**1,625,280**	$	-
Total financial liabilities	**$**	**2,132,835**	**$**	**20,000**

Cash is carried at fair value using a level 1 fair value measurement and the amounts receivable, deposits and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to forecast its cash flows required for its planned operating, investing, and financing activities so that it will have sufficient liquidity to meet liabilities when due.

As at December 31, 2022, the Company had a cash balance of $3,720,751 (2021 - $54,715) to settle current liabilities of $2,188,216 (2021 - $49,938). All the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment. While the Company's current cash is sufficient to settle its current liabilities and certain planned expenditures for the upcoming year, the Company will continue forecasting its cash flows to maintain liquidity and investigate opportunities to obtain further financing through transactions such as equity placements, debt or joint venture arrangements, when necessary.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank deposits, which is insignificant due to their short-term nature. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. As at December 31, 2022, the Company held all of its cash with a Canadian chartered bank.

Risk and Capital Management

The Company reports its financial results in Canadian dollars but also undertakes transactions denominated in US dollars, Indonesian Rupiah, and New Zealand dollars ("NZD"). As the exchange rates between the Canadian dollar and the US dollar, Indonesian Rupiah and NZD fluctuates, the Company recognizes realized and unrealized foreign exchange gains and losses. As at December 31, 2022, the Company has $2,393 of accounts payable and accrued liabilities denominated in US dollars and $4,048 in NZD, which are subject to currency risk.

At December 31, 2022, a 10% appreciation or depreciation of the US dollar and NZD against the Canadian dollar would result in an approximate $644 increase or decrease in the Company's net loss (2021 – $nil).

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at December 31, 2022.

Price risk

The oil and gas industry is heavily dependent upon the market price of oil and gas being produced. There is no assurance that, even if commercial quantities of oil and gas reserves are discovered, a profitable market will exist for their sale. There can be no assurance that oil and gas prices will be such that the Company's properties can be produced at a profit. Factors beyond control of the Company may affect the marketability of any reserves discovered. The price of oil and gas has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the Company's control. The Company's profitability and ability to raise capital to fund exploration, evaluation and production activities is subject to risks associated with fluctuations in oil and gas prices. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

RELATED PARTY TRANSACTIONS

The Company has entered into transactions with related parties in the normal course of business that are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties. The exchange amount approximates fair value. Transactions impacting the consolidated financial statements, which are not disclosed elsewhere in the statements are summarized below. During the year, the Company paid to its directors and officers, either directly or indirectly, the following amounts:

	2022	**2021**
Stock-based compensation	$ 156,169	$ 8,150
Key management compensation	137,158	14,600
Consulting services	63,233	-
Accounting and administrative services (professional fees)	55,465	-
Directors' fees (consulting fees)	34,167	-
Payroll taxes	30,623	-
Office allowance (general and administrative expenses)	3,949	5,265
	$ 480,764	**$ 28,015**

SUBSEQUENT EVENTS

Subsequent to December 31, 2022, 6,915,666 warrants expiring June 15, 2023 were exercised for gross proceeds of $345,783.

OTHER INFORMATION

Outstanding share data:

Issued and outstanding shares at December 31, 2022	181,136,911
Issued and outstanding options at December 31, 2022	1,850,000
Issued and outstanding warrants at December 31, 2022	150,868,941
Issued and outstanding fully diluted shares at December 31, 2022	333,855,852

INDUSTRY RISKS

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, including the risks described in the "Risk Factors" section of the Company's MD&A for the year ended December 31, 2022 and 2021, prior to making any investment in the Company's common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Oil and gas property exploration and production risk

Oil and gas exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons.

The Company's ability to identify Oil and Gas Resources in sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and production, the adequacy of infrastructure, geological characteristics of any reserves, the availability of processing capacity, the availability of storage capacity, the supply of and demand for oil and gas, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses, and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial oil and gas activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial operations at the property which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Key management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

Limited operating history

The Company has no present prospect of generating material revenue from the sale of oil and gas. The Company is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered, in light of the early stage of operations.

Financing and share price fluctuation risk

The Company has a stable stream of operating cash flow from its existing GORR properties. Future exploration and development of the Company's oil and gas properties may be dependent upon the Company's ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development of on any or all of its oil and gas properties which could result in the loss of its property, in which case, the Company's ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company's shareholders.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Commodity price risk

The Company, along with all oil and gas exploration and development companies, is exposed to commodity price risk. A decline in the market price of oil and gas may adversely affect the Company's ability to raise capital to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of its oil and gas property to a third party.

Title risk

Title on oil and gas properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many oil and gas properties. The Company has diligently investigated and continues to diligently investigate and validate title to its claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these properties.

Insured and uninsurable risks

In the course of exploration, development and production of oil and gas properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

Competition risk

Significant and increasing competition exists in the oil and gas industry. The Company faces strong competition from other oil and gas companies in connection with the acquisition of properties producing, or capable of producing, oil and gas. Many of these companies are larger, more established, and have greater financial resources, operational experience and technical capabilities than the Company and make it difficult to compete for the acquisition of properties, leases and other oil and gas interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to acquire additional attractive exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operation, financial conditions and prospects could be adversely affected.

Government regulations

Exploration and evaluation companies operate in a high-risk regulatory environment. The oil and gas activities are governed by numerous statutes and regulations in Canada and Indonesia, and other countries where Criterium intends to market its products. The subject matter of such legislation includes approval of oil and gas facilities and environmental regulations.

The process of completing exploration and evaluation activities and obtaining required approvals is likely to take several years and requires the expenditure of substantial resources. Furthermore, there can be no assurance that the regulators will not require modification to any submissions which may result in delays or failure to obtain regulatory approvals. Any delay or failure to obtain regulatory approvals could adversely affect the ability of Criterium to utilize its assets, thereby adversely affecting operations. Further, there can be no assurance that Criterium's properties will achieve levels of sensitivity and specificity sufficient for regulatory approval or market acceptance. There is no assurance that Criterium will be able to timely and profitably produce its products while complying with all the applicable regulatory requirements. Foreign markets, other than Canada and Indonesia, generally impose similar restrictions.

Conflicts of interest risk

Certain of the Company's directors and officers may in the future, serve as directors, officers, promoters and members of management of other oil and gas exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the Business Corporations Act (Alberta) to disclose their interest.

Environmental risk

All phases of the Company's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, mitigation of impact of activities to wildlife and plant life, and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental-related permits and/or environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to impact the timing of execution of work plans and reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which the Company holds its interests or on properties that will be acquired which are unknown to the Company at present and which have been caused by previous or existing owners or operators of those properties.

Community relations risk

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of oil and gas activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

Litigation risk

All industries, including the oil and gas industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

Climate change risk

The potential physical impacts of climate change on the Company's exploration projects are highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration programs in Indonesia may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and oil and gas activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

No Anticipated Dividends

The Company does not intend to pay dividends on any investment in the shares of stock of the Company. The Company has never paid any cash dividends and currently do not intend to pay any dividends for the foreseeable future. To the extent that the Company requires additional funding currently not provided for in its financing plan, its funding sources may prohibit the payment of a dividend. Because the Company does not intend to declare dividends, any gain on an investment in the Company will need to come through an increase in the stock's price. This may never happen, and investors may lose all their investment in the Company.