Tuktu Resources Ltd.
Management's Discussion and Analysis
As at September 30, 2024 and for the three and nine months ended September 30, 2024

The following Management's Discussion and Analysis (the "MD&A") of financial results of Tuktu Resources Ltd. ("Tuktu" or the "Company") as at September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023 should be read in conjunction with the unaudited interim condensed financial statements for the periods then ended and the audited financial statements for the years ended December 31, 2023 and 2022 and related notes thereto. The date of this Management's Discussion and Analysis is November 26, 2024.

The financial data presented has been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The reporting currency in the unaudited interim condensed financial statements and in this MD&A is Canadian dollars, unless otherwise stated. Additional information relating to the Company is available on the Company's website at www.tukturesources.com and SEDAR+ at www.sedarplus.ca.

Description of the Company

Tuktu is a publicly traded company incorporated on November 28, 1994, in the Province of Alberta, that is listed on the TSX Venture Exchange under the symbol "TUK". The Company is in the business of oil and natural gas exploration, development and production.

Financial and Operational Highlights

($, except share #'s)	**Three months ended, September 30,**			**Nine months ended, September 30,**		
	2024	2023	change	**2024**	2023	change
Financial Highlights						
Petroleum and natural gas sales	**2,513,981**	560,696	348%	**3,666,227**	1,054,239	248%
Cash flow from (used in) operating activities	**652,976**	(209,654)	411%	**(1,388,302)**	(931,100)	49%
Per share - basic & diluted	**0.00**	(0.00)	0%	**(0.01)**	(0.01)	0%
Adjusted funds flow from (used in) operations (1)	**442,328**	(264,747)	267%	**(1,473,332)**	(918,612)	60%
Per share - basic & diluted	**0.00**	(0.00)	0%	**(0.01)**	(0.01)	0%
Net income (loss)	**(1,886,337)**	(423,150)	346%	**(3,056,271)**	268,412	(1,239)%
Per share - basic & diluted	**(0.01)**	(0.01)	0%	**(0.02)**	0.00	100%
Acquisitions	**-**	-	-	**1,253,353**	2,414,010	(48)%
Capital expenditures	**596,880**	1,396	42,656%	**607,575**	16,490	3,585%
Adjusted working capital (1)	**(382,381)**	405,065	(194)%	**(382,381)**	405,065	(194)%
Number of common shares outstanding						
Common shares outstanding, end of period	**144,706,858**	83,006,559	74%	**114,944,858**	83,006,559	38%
Weighted average basic & diluted	**143,037,749**	83,006,559	72%	**123,625,665**	80,259,306	54%

(1) See Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management Measures

	Three months ended, September 30, 2024	2023	change	Nine months ended, September 30, 2024	2023	change
Operating Highlights						
Average production volumes						
Crude oil (bbls/d)	**305**	2	15,150%	**117**	1	11,600%
Natural gas (mcf/d)	**1,819**	2,226	(18)%	**2,057**	1,452	42%
Total (boe/d)	**608**	373	63%	**460**	243	89%
% natural gas	**50%**	99%	(50)%	**75%**	100%	(25)%
Average realized prices						
Crude oil ($/bbl)	**84.88**	98.41	(14)%	**86.69**	90.54	(4)%
Natural gas ($/mcf)	**0.79**	2.65	(70)%	**1.57**	2.58	(39)%
Petroleum and natural gas sales ($/boe)	**44.93**	16.34	175%	**43.81**	15.88	176%
Operating netback ($/boe)						
Petroleum and natural gas sales	**44.93**	16.34	175%	**43.81**	15.88	176%
Royalties	**(14.09)**	(3.34)	322%	**(7.22)**	(2.90)	149%
Operating expenses	**(15.91)**	(8.19)	94%	**(14.24)**	(8.36)	70%
Transportation expenses	**(0.61)**	(1.44)	(58)%	**(0.95)**	(1.21)	(21)%
Operating netback [1]	**14.32**	3.37	325%	**21.40**	3.41	527%

[1] See Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management Measures

Acquisitions

On May 27, 2024 the Company closed an acquisition of southern Alberta oil assets. As consideration for the assets, the Company paid $1,403,353 cash before customary adjustments. The Company incurred transaction costs of $49,072 on the acquisition which were capitalized to property, plant and equipment.

Investments

On October 13, 2023, the Company closed the sale of 90% interest of its mining claims in the Isintok property to Cascade Copper Corp. The consideration was satisfied through the issuance of 2,150,538 units of Cascade at a deemed price of $0.093 per unit. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant shall be exercisable for one common share at an exercise price of $0.15 for a period of three years and vested on September 28, 2024. On September 30, 2024, the investment was revalued to its fair value of $122,046, resulting in a $78,540 unrealized loss being recognized in the statement of income (loss). The fair value of the warrants was estimated using the Black-Scholes pricing model with the following assumptions:

	September 30, 2024	December 31, 2023
Share price	**$ 0.040**	$ 0.065
Risk-free interest rate	**3.00%**	3.26%
Expected life (years)	**2.03**	2.78
Expected volatility	**237%**	203%
Fair value	**$ 0.034**	$ 0.057

Production

(6:1 boe conversion)	**Three months ended, September 30,**			**Nine months ended, September 30,**		
	2024	2023	change	**2024**	2023	change
Daily production:						
Crude oil (bbls/d)	**305**	2	15,150%	**117**	1	11,600%
Natural gas (mcf/d)	**1,819**	2,226	(18)%	**2,057**	1,452	42%
Total (boe/d)	**608**	373	63%	**460**	243	89%
% Natural gas	**50%**	99%	(50)%	**75%**	100%	(25)%

Third quarter 2024 production averaged 608 boe/d, up 63% from 373 boe/d in the third quarter of 2023. Natural gas production in the third quarter of 2024 decreased to 1,819 mcf/d from 2,226 mcf/d in the third quarter of 2023 as a result of the Company shutting in certain gas wells due to low natural gas prices. Oil production in the third quarter of 2024 increased to 305 bbl/d from 2 bbl/d in the third quarter of 2023 due to the acquisition of the southern Alberta oil assets which closed on May 27, 2024 contributing 128 bbl/d for the third quarter and the production from the light oil discovery well in the southern Alberta Deep basin which came on production on August 8, 2024 contributing 174 bbl/d for the third quarter.

For the nine months ended September 30, 2024, production increased 89% to 460 boe/d from 243 boe/d in the comparative period of 2023 due to the impact and timing of acquisitions and successful operations noted above.

Petroleum and Natural Gas Sales

($)	**Three months ended, September 30,**			**Nine months ended, September 30,**		
	2024	2023	change	**2024**	2023	change
Crude oil	**2,381,725**	16,906	13,988%	**2,779,137**	31,331	8,770%
Natural gas	**132,256**	543,790	(76)%	**887,090**	1,022,908	(13)%
Total petroleum and natural gas sales	**2,513,981**	560,696	348%	**3,666,227**	1,054,239	248%

Total petroleum and natural gas sales for the three and nine months ended September 30, 2024 was $2,513,981 and $3,666,227, respectively, as compared to $560,696 and $1,054,239 in the comparable periods of 2023 due to higher oil production volumes partially offset by lower natural gas production and lower oil and natural gas prices.

Benchmark and Realized Prices

($)	Three months ended, September 30, 2024	2023	change	Nine months ended, September 30, 2024	2023	change
Averaged realized prices:						
Crude oil ($/bbl)	**84.88**	98.41	(14)%	**86.69**	90.54	(4)%
Natural gas ($/mcf)	**0.79**	2.65	(70)%	**1.57**	2.58	(39)%
Barrels of oil equivalent ($/boe)(1)	**44.93**	16.34	175%	**43.81**	15.88	176%
Benchmark prices:						
WTI ($US/bbl)	**75.1**	82.26	(9)%	**77.54**	77.39	0%
Edmonton Light ($/bbl)	**97.88**	107.85	(9)%	**98.47**	100.78	(2)%
AECO natural gas ($/Mcf)	**0.69**	2.60	(73)%	**1.45**	2.76	(47)%
Exchange rate (US$/C$)	**1.36**	1.34	1%	**1.36**	1.35	1%

(1) Disclosure of production on a per boe basis in this MD&A consists of the constituent product types and their respective quantities. Refer to the "BOE Presentation" section of this MD&A

The Company takes most of its working interest production “in kind” which is marketed and sold through various credit-worthy purchasers. The price realized by the Company for natural gas production is determined by the AECO benchmark and based on Canadian fundamentals. The price received by the Company for its oil production is primarily driven by the price of West Texas Intermediate (“WTI”), which is adjusted for quality and a differential.

The AECO natural gas benchmark declined 73% and 47% during the three and nine months ended September 30, 2024 as compared to the comparable periods of 2023. The Company’s realized natural gas prices followed a similar trend declining 70% and 39% during the three and nine months ended September 30, 2024 as compared to the comparable periods of 2023.

The Company’s realized oil prices declined 14% and 4% during the three and nine months ended September 30, 2024 as compared to the comparable periods of 2023. This is due to the decrease in the benchmark oil prices.

Royalty Expenses

($)	Three months ended, September 30, 2024	2023	change	Nine months ended, September 30, 2024	2023	change
Royalty expenses	**788,283**	114,580	588%	**910,156**	192,477	373%
Royalty rate	**31%**	20%	55%	**25%**	18%	39%
Per boe ($)	**14.09**	3.34	322%	**7.22**	2.90	149%

Royalty expenses consist of crown royalties payable to the Alberta provincial government, freehold mineral rights owners and royalty contract owners. Royalties are calculated based on revenue less allowed costs of transportation and processing and are generally expressed as a percentage of revenue. Royalty rates can vary due to several factors including commodity prices, mix of production subject to each type of royalty, commodity produced, royalty contract terms, and royalty incentive schemes.

Total royalties for the three months ended September 30, 2024 were $788,283 or 31% royalty rate as compared to $114,580 or 20% royalty rate in the comparable period in 2023. Year to date, royalties were $910,156 or 25% royalty rate compared to $192,477 or 18% royalty rate for the same period of 2023. On a royalty rate basis, royalties increased due to the production from the southern Alberta deep basin oil discovery well which attracted a high crown royalty rate due to the high production rates.

Operating Expenses

($)	**Three months ended, September 30,**			**Nine months ended, September 30,**		
	2024	2023	change	**2024**	2023	change
Operating expenses	**890,131**	281,134	217%	**1,796,287**	555,420	223%
Per boe ($)	**15.91**	8.19	94%	**14.24**	8.36	70%

For the three months ended September 30, 2024, operating expenses increased to $890,131 from $281,134 in the comparable period of 2023. The increase was due to $85,815 spent on well workovers and an increase in higher cost oil production. On a per boe basis, operating expenses for the three months ended September 30, 2024, were $15.91 compared to $8.19 in the comparable period of 2023.

For the nine months ended September 30, 2024, operating expenses increased to $1,797,287 from $555,420 in the comparable period of 2023. The increase was due to $342,807 spent on well workovers and an increase in higher cost oil production. On a per boe basis, operating expenses for the nine months ended September 30, 2024, were $14.24 compared to $8.36 in the comparable period of 2023.

Transportation Expenses

($)	**Three months ended, September 30,**			**Nine months ended, September 30,**		
	2024	2023	change	**2024**	2023	change
Transportation expenses	**33,959**	49,411	(31)%	**119,535**	80,567	48%
Per boe ($)	**0.61**	1.44	(58)%	**0.95**	1.21	(21)%

Transportation expenses include clean oil trucking and natural gas transportation from the field to the sales point. Transportation costs for the three months ended September 30, 2024 decreased to $33,959 from $49,411 in the comparable period of 2023. The decrease is due to reduced natural gas production in the third quarter of 2024.

Transportation expenses for the nine months ended September 30, 2024 were $119,535 compared to $80,567 in the nine months ended September 30, 2023. The 48% increase in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 is primarily due to there being no production during the first quarter of 2023.

Operating Netbacks

($)	Three months ended, September 30, 2024	2023	change	Nine months ended, September 30, 2024	2023	change
Total petroleum and natural gas sales	**2,513,981**	560,696	348%	**3,666,227**	1,054,239	248%
Royalties	**(788,283)**	(114,580)	588%	**(910,156)**	(192,477)	373%
Operating expenses	**(890,131)**	(281,134)	217%	**(1,796,287)**	(555,420)	223%
Transportation expenses	**(33,959)**	(49,411)	(31)%	**(119,535)**	(80,567)	48%
Operating netback[1]	**801,608**	115,571	594%	**840,249**	225,775	272%

($/boe)	Three months ended, September 30, 2024	2023	change	Nine months ended, September 30, 2024	2023	change
Total petroleum and natural gas sales	**44.93**	16.34	175%	**43.81**	15.88	176%
Royalties	**(14.09)**	(3.34)	322%	**(7.22)**	(2.90)	149%
Operating expenses	**(15.91)**	(8.19)	94%	**(14.24)**	(8.36)	70%
Transportation expenses	**(0.61)**	(1.44)	(58)%	**(0.95)**	(1.21)	(21)%
Operating netback[1]	**14.32**	3.37	325%	**21.40**	3.41	527%

[1] See Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management Measures

General and Administrative ("G&A") Expenses

($)	Three months ended, September 30, 2024	2023	change	Nine months ended, September 30, 2024	2023	change
G&A expenses	**477,471**	363,878	31%	**1,186,832**	1,140,211	4%
Capitalized salaries and overhead recoveries	**(122,114)**	-	100%	**(122,130)**	-	100%
Net G&A expenses	**355,357**	363,878	(2)%	**1,064,702**	1,140,211	(7)%
Per boe ($)	**8.53**	10.61	(20)%	**9.41**	17.17	(45)%

For the three and nine months ended September 30, 2024, net G&A expenses were $355,357 and $1,064,702, respectively, compared to $363,878 and $1,140,211 in the comparable periods of the prior year. Reductions in net G&A expenses were a result of increased capitalized G&A due to Tuktu's higher capital expenditure program as compared to the same periods of 2023.

Net G&A expenses per boe for the three and nine months ended September 30, 2024 were $8.53 and $9.41, respectively, down from $10.61 and $17.17 in the comparable periods of 2023 due to the capitalized G&A described above.

Depletion and Depreciation

($)	Three months ended, September 30,			Nine months ended, September 30,		
	2024	2023	change	**2024**	2023	change
Depletion and depreciation	**920,193**	215,548	327%	**1,774,103**	420,064	322%
Per boe ($)	**16.44**	6.28	162%	**14.07**	6.33	122%

Depletion of oil and gas assets is calculated using the unit-of-production method which is based on production volumes in relation to the proved plus probable reserves base and the associated future development costs. Depletion and depreciation expenses for the three and nine months ended September 30, 2024 were $920,193 and $1,774,103 respectively, compared to $215,548 and $420,064 for the comparable periods of 2023.The increases in 2024 were due to the impact of the acquisition of the southern Alberta oil asset and the successful southern Alberta deep basin oil well discovery which added additional oil volumes.

On a per boe basis, the depletion and depreciation expense for the three and nine months ended September 30, 2024 increased to $16.44 and $14.07, respectively, compared to $6.28 and $6.33 in the comparable periods of 2023 due to the higher depletion rate on the oil production.

Finance Income and Expense

($)	Three months ended, September 30,			Nine months ended, September 30,		
	2024	2023	change	**2024**	2023	change
Finance income						
Interest on short term investments	**2,028**	60	3,280%	**4,041**	45,148	(91)%
Finance expense						
Part XII.6 interest on flow through expenditures under the look-back rule	**(4,532)**	(4,137)	10%	**(14,134)**	(11,589)	22%
Accretion	**(30,339)**	(13,714)	121%	**(79,674)**	(26,242)	204%
Promissory note	**66,813**	-	100%	**286,499**	-	100%
Other finance expense	**(1,078)**	(208)	418%	**(2,417)**	(208)	1,062%
Net finance income (expense)	**32,892**	(17,999)	(283)%	**194,315**	7,109	2,633%
Per boe ($)	**0.59**	(0.52)	(213)%	**1.54**	0.11	1,300%

Finance income includes cash interest received from the Company’s short-term investments and mineral property security deposits. Interest income in the three and nine months ended September 30, 2024 was $2,028 and $4,041, respectively, compared to $60 and $45,148 for the comparable periods of 2023. The decline in the nine months ended September 30, 2024 is due to the Company having less interest-bearing short-term investments in 2024.

Finance expenses include accrued interest on Part XII.6 on flow through expenditures under the look-back rule, accretion on the Company’s decommissioning liabilities, accretion on the promissory note and other finance expenses. Net finance income (expenses) increased to $32,892 and ($194,315), respectively, in the three and nine months ended September 30, 2024 compared to ($17,999) and $7,109 in the comparable periods of 2023. The increase is primarily due the adjustment to accretion of the promissory note slightly offset by the increase in accretion expense which is being calculated on a larger decommissioning liability balance which includes the acquisition of the Penny oil asset.

Cash Flow used in Operating Activities, Adjusted Funds Flow Used in Operations and Net Income

($)	Three months ended, September 30,			Nine months ended, September 30,		
	2024	2023	change	**2024**	2023	change
Cash flow from (used in) operating activities	**652,976**	(209,654)	411%	**(1,388,302)**	(931,100)	49%
Adjusted funds flow from (used in) operations[1]	**442,328**	(264,747)	267%	**(1,473,332)**	(918,612)	60%
Net income (loss)	**(1,886,337)**	(423,150)	346%	**(3,056,271)**	268,412	(1,239)%
Per share - basic and diluted	**(0.01)**	(0.01)	0%	**(0.02)**	$ -	100%

[1] See Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management Measures

Cash flow from (used in) operating activities increased 411% for the three months ended September 30, 2024 as compared to the comparable period of 2023 primarily due to the Company's increased operating netback. Net loss increased 346% for the three months ended September 30, 2024 as compared to the comparable period of 2023 due primarily to the large $1.4 million remeasurement loss on warrant liability recognized in the third quarter of 2024.

Cash flow used in operating activities increased 49% for the nine months ended September 30, 2024 as compared to the comparable period of 2023 primarily due to the Company posting a $1,234,834 security deposit with the Alberta Energy Regulator. Net loss increased 1,239% for the nine months ended September 30, 2024 as compared to the comparable period of 2023 due primarily to the large $1.1 million remeasurement loss on warrant liability recognized in the nine months ended September 30, 2024 compared to a $1.5 million remeasurement gain in same period of 2023.

Capital Expenditures

($)	Three months ended, September 30,			Nine months ended, September 30,		
	2024	2023	change	**2024**	2023	change
Capital expenditures	**596,880**	1,396	42,656%	**607,575**	16,490	3,585%
Property acquisitions	**-**	-	0%	**1,253,353**	2,414,010	(48)%
Total capital expenditures	**596,880**	1,396	42,656%	**1,860,928**	2,430,500	(23)%

Capital expenditures for the three and nine months ended September 30, 2024 were $596,880 and $1,860,928 compared to $1,396 and $2,430,500 in the comparable periods of 2023. During the third quarter of 2024, the Company spent $410,994 to recomplete an oil well, $50,497 to begin the installation of a plunger lift on an oil well and capitalized $121,614 of G&A and $11,562 of stock-based compensation.

Warrant Liability

As part of the July 15, 2022 unit offering, the Company issued 51,941,773 common share purchase warrants. Each warrant entitles its holder to acquire one common share at an exercise price of $0.11 prior to the date that is four years from the date of issuance of the warrants. The warrants will vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares equaling or exceeding $0.13, $0.155 and $0.18, respectively. The warrants issued were classified as a financial liability as a result of a cashless exercise provision. As at September 30, 2024, there were 51,941,773 warrants outstanding.

The warrants are revalued every reporting period using the Black Scholes option pricing model. For the nine months ended September 30, 2024, the Company recognized a remeasurement loss of $1,108,015 (nine months ended September 30, 2023: $1,545,867 gain). The inputs into the Black Scholes model are shown below:

		September 30, 2024		December 31, 2023
Share price	**$**	**0.11**	$	0.05
Risk-free interest rate		**3.00%**		3.26%
Expected life (years)		**1.79**		2.54
Expected volatility (1)		**49%**		63%
Fair value	**$**	**0.031**	$	0.009

(1) Expected volatility is based on historical peer group volatility.

Promissory Note

On May 13, 2024, Tuktu agreed to a $1,234,834 promissory note from an arm's length third party. The proceeds from the promissory note were used to fund deposits with the Alberta Energy Regulator required as a condition of licence transfers for certain asset acquisitions.

The promissory note is interest free, senior secured over the Company's assets, matures on or before June 1, 2027, and requires monthly payments beginning on July 25, 2024. The monthly payments are calculated by multiplying the Company's production times a percentage ranging from 10% to 20% depending on WTI price times the realized commodity price. The Company repaid $112,606 of the principal balance during the nine months ended September 30, 2024.

The promissory note was initially measured at fair value and then subsequently measured at amortized cost using an effective interest rate of 20%.

Share Capital

Common Shares

On May 28, 2024, the Company completed a brokered private placement of 26,950,000 units at a price of $0.05 per unit and issued 1,000,000 units to the agent in lieu of cash commissions. Each unit was comprised of one common share and one common share purchase warrant.

During the third quarter of 2024 there were 1,812,000 common shares issued upon the exercise of 600,000 warrants and 1,212,000 broker warrants. As at September 30, 2024 there were 144,706,858 common shares outstanding

Subsequent to September 30, 2024 there have been an additional 3,442,256 common shares issued upon the exercise of 3,362,000 warrants and 80,256 broker warrants. On November 21, 2024, the Company closed a marketed offering of units where 111,664,805 common shares were issued, see S*ubsequent Events* below. At the date of this MD&A, there were 259,813,919 common shares issued and outstanding.

Warrants

March 17, 2023, Warrants

On March 17, 2023, the Company issued 10,000,000 warrants in connection with the acquisition of assets. The warrants are exercisable at $0.30 per common share for a period of three years. The warrants were ascribed a value of $317,200. As at September 30, 2024 and the date of this MD&A, there were 10,000,000 warrants outstanding.

December 28, 2023, Warrants

On December 28, 2023, the Company issued 31,938,299 warrants. The warrants are exercisable at $0.075 per common share for a period of three years. The warrants were ascribed a value of $449,558. During the third quarter of 2024 there were 1,212,000 warrants issued upon the exercise of broker warrants and 600,000 warrants were exercised for common shares. As at September 30, 2024 there were 32,550,229 warrants outstanding.

Subsequent to September 30, 2024, there were 68,256 warrants issued upon the exercise of broker warrants and 1,250,000 warrants were exercised for common shares. At the date of this MD&A there were 31,368,555 warrants outstanding.

May 28, 2024, Warrants

On May 28, 2024, the Company issued 27,950,000 warrants as described above. The warrants are exercisable at $0.075 per common share for a period of three years. The warrants were ascribed a value of $368,670. As at September 30, 2024 there were 27,950,000 warrants outstanding.

Subsequent to September 30, 2024, there were 12,000 warrants issued upon the exercise of broker warrants and 2,112,000 warrants were exercised for common shares. At the date of this MD&A there were 25,850,000 warrants outstanding.

November 21, 2024, Warrants

On November 21, 2024, the Company closed a marketed offering of units where 55,832,402 warrants were issued. See S*ubsequent Events* below.

Broker Warrants

December 28, 2023, Broker Warrants

On December 28, 2023, the Company issued 1,398,400 broker warrants. The broker warrants are exercisable at $0.05 per unit for a period of three years. The broker warrants were assigned a fair value of $34,844. During the third quarter of 2024 there were 1,212,000 broker warrants exercised for 1,212,000 common shares and 1,212,000 warrants. As at September 30, 2024 there were 186,400 broker warrants outstanding.

Subsequent to September 30, 2024, there were 68,256 broker warrants exercised for 68,256 common shares and 68,256 warrants. At the date of this MD&A there were 118,144 broker warrants outstanding.

May 28, 2024, Broker Warrants

In consideration for services rendered in relation to the May 28, 2024 brokered private placement, the Company issued 1,854,000 broker warrants to the agent and certain other selling group firms. Each broker warrant is exercisable at a price equal to $0.05 and entitles the holder to one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.075 for a period of 3 years. As at September 30, 2024, there were 1,854,000 broker warrants issued and outstanding.

Subsequent to September 30, 2024, there were 12,000 broker warrants exercised for 12,000 common shares and 12,000 warrants. At the date of this MD&A there were 1,842,000 broker warrants outstanding.

November 21, 2024, Broker Warrants

On November 21, 2024, the Company closed a marketed offering of units where 6,033,221 broker warrants were issued to the agent, see *Subsequent Events* below.

Stock Options

The Company has a stock option plan under which options to purchase common shares of the Company may be granted to directors, officers, employees and consultants. The Company uses a Black Scholes option pricing model to calculate the fair value of stock option grants where the corresponding expense is recognized over the option vesting period.

There were 6,000,000 stock options issued on July 17, 2024 which vest between the first and third anniversary of their grant date, have an exercise price of $0.05 per common share and expire on July 17, 2029.

As at September 30, 2024 and the date of this MD&A, there were 12,600,000 stock options outstanding with a weighted average exercise price of $0.10 and weighted average remaining term of 3.8 years.

Liquidity and Capital Resources

The unaudited interim condensed financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business as they become due. At September 30, 2024, the Company had accumulated losses of $21.7 million since inception (December 31, 2023 - $18.6 million). For the nine months ended September 30, 2024, the Company reported a net loss of $3.1 million (September 30, 2023 - $268 thousand net income) and cash used in operating activities of $1.4 million (September 30, 2023 - $931 thousand). The Company's working capital balance has decreased from $400 thousand as at December 31, 2023 to a $2.0 million deficit as at September 30, 2024.

The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, secure funding from debt or equity financings or make other arrangements which may not be available.

Subsequent to September 30, 2024, the Company raised gross proceeds of $10 million (see *Subsequent Events*). The Company will utilize the proceeds from the equity raise to satisfy certain obligations and to invest in the current operations and future development of its oil and gas properties to attempt to generate positive cash flows from operations. There can be no assurances one or more of these alternatives will be successful.

These conditions indicate a material uncertainty that may cast significant doubt as to the Company's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These unaudited interim condensed financial statements do not reflect the adjustments to the carrying amounts of assets and liabilities, reported amounts of expenses, and statement of financial position classifications used that would be necessary were the going concern assumption deemed to be inappropriate. Such adjustments could be material.

Summary of Quarterly Results

	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22
Financial ($)								
Petroleum and natural gas sales	**2,513,981**	623,872	528,374	536,548	560,696	493,543	-	-
Cash flow used in operating activities	**652,976**	(1,943,319)	(97,959)	(84,445)	(209,654)	(296,690)	(424,756)	(430,594)
Net income (loss)	**(1,886,337)**	(992,419)	(177,515)	925,119	(423,150)	161,376	530,186	6,366,449
Per share - basic and diluted	**(0.01)**	(0.01)	0.00	0.01	(0.01)	-	0.01	0.09
Total capital expenditures	**596,880**	1,463,120	-	4,415	1,396	2,016,806	50,373	-
Weighted average shares outstanding *(thousands)*								
Basic and diluted	**144,707**	142,895	114,945	84,395	83,007	83,007	74,673	73,007
Shares outstanding, end of period *(thousands)*								
Basic and diluted	**143,038**	125,388	114,945	114,945	83,007	83,007	83,007	73,007
Operational								
Average daily production:								
Crude oil (bbls/d)	**305**	43	2	2	2	2	-	-
Natural gas (mcf/d)	**1,819**	2,156	2,198	2,381	2,226	2,105	-	-
Total (boe/d)	**608**	402	368	399	373	353	-	-

The Company purchased oil and gas assets in both the first and second quarters of 2023. Production from these acquisitions commenced in April 2023. The Company completed an acquisition of oil assets in the second quarter of 2024 with production to the account of the Company commencing on May 27, 2024. The Company completed a successful recompletion on an oil well in the third quarter of 2024 which increased petroleum and natural gas sales for the period.

Cash flow used in operating activities increased in the second quarter of 2024 due to the Company positing a $1,234,434 security deposit with the Alberta Energy Regulator.

Net income fluctuations have been primarily due to the quarterly remeasurement gains and losses on the warrant liability which is caused by stock price and interest rate variability.

Off-Balance Sheet Arrangements

Tuktu has not entered into any material off-balance sheet arrangements.

Subsequent Events

On November 21, 2024 the Company closed a marketed offering of units. The Company issued 111,664,805 units at a price of $0.09 for gross proceeds of $10,049,832. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.13 for a 24-month term ending November 21, 2026. The Company paid the agent a cash commission of $572,990 and issued 6,033,221 broker warrants. Each broker warrant entitles the holder to purchase one unit at a price of $0.09 for a 24-month term ending November 21, 2026.

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

This document contains the term “operating netback” which is a non-IFRS financial measure, or ratio if it is calculated on a per boe or percentage basis. The Company uses this measure to evaluate its performance. This non-IFRS financial measure and ratio does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. This document also contains the capital management measure of “adjusted funds flow from operations”. Management believes that the presentation of these non-IFRS, capital management and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company’s ongoing operating performance.

Adjusted Funds Flow used in Operations

Adjusted Funds flow is calculated by taking cash flow used in operating activities and adding back changes in non-cash working capital, decommissioning costs incurred and transaction costs. Management considers adjusted funds flow used in operations to be a key measure to assess the performance of the Company’s oil and gas properties and the Company’s ability to fund future capital investment. Adjusted funds flow used in operations is an indicator of operating performance as it varies in response to production levels and management of costs. Changes in non-cash working capital, decommissioning costs incurred and transaction costs vary from period to period and management believes that excluding the impact of these provides a useful measure of the Company’s ability to generate the funds necessary to manage the capital needs of the Company.

The Company reconciles adjusted funds flow used in operations to cash flow used in operating activities, which is the most directly comparable measure calculated in accordance with IFRS as follows:

($)	**Three months ended, September 30,**		**Nine months ended, September 30,**	
	2024	2023	**2024**	2023
Cash flow used in operating activities	**652,976**	(209,654)	**(1,388,302)**	(931,100)
Changes in non-cash working capital	**(210,648)**	(55,093)	**(85,030)**	12,488
Adjusted funds flow used in operations	**442,328**	(264,747)	**(1,473,332)**	(918,612)

Operating netbacks

Operating netback is total petroleum and natural gas revenues less royalties, operating expenses and transportation expenses. These metrics can also be calculated on a per boe basis, which results in them being considered a non-IFRS ratio. Management considers operating netback as an important measure to evaluate the Company’s operational performance, as it demonstrates field level profitability relative to current commodity prices.

Adjusted working capital

Adjusted working capital is calculated by taking working capital (current assets less current liabilities) and adding back the warrant liability and decommissioning obligations. Management believes that adjusted working capital assists management and investors in assessing Tuktu’s short-term liquidity. The following table provides a reconciliation of working capital as determined with IFRS to adjusted working capital:

($)	**September 30, 2024**	September 30, 2023
Working capital (deficit)	**(2,018,849)**	138,874
Warrant liability	**1,595,938**	-
Decommissioning obligations	**40,530**	-
Adjusted working capital (deficit)	**(382,381)**	138,874

Advisories

BOE Presentation
The Company uses the following industry terms in the MD&A: “bbl” refers to barrels, “bbl/d” refers to barrels per day, “mcf” refers to thousand cubic feet, “mcf/d” refers to thousand cubic feet per day, “GJ” refers to gigajoules, “boe” refers to barrel of oil equivalent, boe/d refers to barrels of oil equivalent per day. Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used in the calculation of boe amounts in this MD&A. The boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Supplementary Financial Measures
Per boe disclosure for petroleum and natural gas sales, royalties, operating expenses, transportation expenses, G&A expenses, financing expenses, and depletion and depreciation are supplementary measures that are calculated by dividing each of these respective IFRS measures by the Company’s total production volumes for the period.

Average realized prices for crude oil and natural gas are supplementary financial measures calculated by dividing each of these components of petroleum and natural gas sales by their respective production volumes for the period.
Royalties as a percentage of petroleum and natural gas revenues is a supplementary financial measure calculated by dividing royalties by petroleum and natural gas sales.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on managements’ experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

In the process of applying the Company’s accounting policies, management has made the following judgments, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

(i) Business combinations:

Management’s determination of whether a transaction constitutes a business combination or asset acquisition is determined based on the criteria in IFRS 3 Business Combinations (“IFRS 3”). Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment (“PP&E”) and exploration and evaluation (“E&E”) assets acquired generally require the most judgement and include estimates of proved and probable oil and gas reserves acquired, forecast benchmark commodity prices, discount rates, future costs and the assessment of recent comparable transactions. Changes in any of these assumptions or estimates used in determining the fair values of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill or bargain purchase price.

(ii) Cash generating units:

A cash generating unit ("CGU") is defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. The Company allocates costs to a CGU based on geographic location, shared infrastructure, and common geological and geophysical characteristics.

(iii) Reserves estimates:

The Company uses estimated proved and probable oil and gas reserves to deplete its oil and gas assets included in property, plant and equipment, to assess for indicators of impairment on the Company's CGU and if any such indicators exist, to perform an impairment test to estimate the recoverable amount of the CGU. Estimates of proved and probable oil and gas reserves are based upon a number of significant assumptions, such as forecasted production volumes, forecasted oil and gas commodity prices, forecasted operating costs, forecasted royalty costs and forecasted future development costs. The Company engaged independent third-party reserve evaluators to evaluate the Company's estimates of proved and probable oil and gas reserves as at December 31, 2023. Reserve estimates are made annually based on actual volumes produced, the results from capital expenditure programs, revisions to previous estimates, new discoveries and acquisitions and dispositions made during the year.

Proved oil and gas reserves are those forecasted quantities of oil and gas determined to be economically recoverable under existing economic and operating conditions with a high degree of certainty, of at least 90 percent, that those quantities will be equalled or exceeded. Probable oil and gas reserves are those forecasted quantities of oil and gas determined to be economically recoverable under existing economic and operating conditions with a moderate degree of certainty, of at least 50 percent, that those quantities will be equalled or exceeded. The Company reports production and reserve quantities in accordance with Canadian practices and specifically in accordance with Standards of Disclosures for Oil and Gas Activities ("NI 51-101").

(iv) Impairment of oil and gas assets:

Judgements are required to assess when indicators of impairment or impairment reversal exist and impairment testing is required. In determining the estimated recoverable amount of assets or CGUs, in the absence of quoted market prices, impairment tests are based on the estimate of proved and probable oil and gas reserves using a number of significant assumptions, such as forecasted oil and gas commodity prices, forecasted production volumes, forecasted operating costs, forecasted royalty costs, forecasted future development costs and discount rates.

(v) Decommissioning obligations:

The Company estimates future retirement and remediation of the Company's assets which in most cases, 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 costs, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

(vi) Income taxes:

The Company recognizes deferred income tax assets to the extent that it is probable that taxable profit will be available to allow the benefit of that deferred income tax asset to be utilized. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred income tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

(vii) Share-based compensation and warrant liabilities:

In determining the estimated fair value of stock options, the Company makes assumptions regarding share price volatility, risk free rate and forfeiture rate.

In determining the estimated fair value of the warrant liability at the end of each reporting period requires management judgement to determine significant assumptions to the valuation model, including expected life and volatility rate.

Changes in Accounting Policy

Effective January 1, 2024, Tuktu adopted the amendments to IAS 1, *Presentation of Financial Statements*, whereby the classification of certain non-current liabilities may need to be reclassified to current. Under the previous IAS 1 requirements, companies classified a liability as current when they did not have an unconditional right to defer settlement for at least 12 months after the reporting date. The IASB removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendment is retrospective and requires reclassification for the periods ended December 31, 2023 and January 1, 2023.

Due to the change in policy, there is a retrospective impact on the comparative statements of financial position at December 31, 2023 and January 1, 2023, as the warrant liability does not give the Company the right to defer settlement of the liability for at least 12 months. As such, the liability is impacted by the revised policy. Tuktu reclassified $487,923 and $3,391,388 from non-current liabilities to current liabilities for the periods ended December 31, 2023 and January 1, 2023, respectively. The warrant liability is now classified as current for the period ended September 30, 2024. See note 9 of the unaudited interim condensed financial statements for further details.

Reporting Regulations

In June 2023, the International Sustainability Standards Board ("ISSB") issued IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* which are effective for annual reporting periods beginning on or after January 1, 2024. These standards provide for transition relief in IFRS S1 that allow a reporting entity to report on only climate-related risks and opportunities in the first year of reporting under the sustainability standards.

The Canadian Securities Administrators ("CSA") are responsible for determining the reporting requirements for public companies in Canada and are responsible for decisions related to the adoption of the sustainability disclosure standard, including the effective annual reporting dates. The CSA issued proposed National Instrument NI-51-107 – Disclosure of Climate-related Matters in October 2021. The CSA intends to consider the ISSB standards in addition to development in United States reporting requirements in its decision relating to development of climate-related disclosure requirements for Canadian reporting issuers. The CSA will involve the Canadian Sustainability Standards Board ("CSSB") for a combined review of the suitability of the adopting the ISSB standards in Canada. There is no requirement for public companies in Canada to adopt the ISSB standards until the CSA and CSSB have issued a decision on reporting requirements in Canada. While we are actively reviewing the ISSB standards we have not yet determined the impact on future financial statements nor have we quantified the costs to comply with such standards.

Risks and Uncertainties

The Company's business is inherently risky and there is no assurance that oil and gas reserves will be discovered and economically produced. Financial risks associated with the oil and gas industry include fluctuations in commodity prices, interest rates, currency exchange rates, the effects of inflation and the ability to access debt and/or equity financing. Land reclamation requirements on the Company's properties may be burdensome and the Company must allocate financial resources to reclamation activities that may otherwise be spent on exploration and development programs.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations that arise principally from the Company's accounts receivable from oil and natural gas marketers and joint operators in the oil and natural gas industry. Receivables from oil and natural gas marketers are normally collected on the 25th day of the month following production.

The Company mitigates credit risk by maintaining relationships with large, established, reputable and creditworthy purchasers. The Company attempts to mitigate risk from joint venture receivables by obtaining partner approval of significant capital and operating expenditures prior to expenditure. Joint venture receivables are from partners in the oil and natural gas industry that are subject to the risks and conditions of the industry. Significant changes in industry conditions and risks that negatively impact partners' ability to generate cash flow will increase the risk of not collecting receivables. The Company has the ability to withhold production from joint interest partners in the event of non-payment.

The Company's total amount of cash and cash equivalents and accounts receivable at September 30, 2024 was $1,782,220 (December 31, 2023: $513,032), representing the Company's maximum credit exposure. The total amount of accounts receivable 90 days past due is nominal at September 30, 2024 (December 31, 2023: nominal).

Liquidity risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. See Note 1 going concern.

As at September 30, 2024, the Company's financial liabilities were comprised of accounts payable and accrued liabilities and promissory note which all have a maturity of less than one year and promissory note which has a maximum maturity of three years.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk primarily through its variable interest rate on its cash and cash equivalents as it has not entered into any interest rate hedging contracts. For the three months ended September 30, 2024 and 2023, if interest rates had been 1% higher with all other variables held constant, the change in net income (loss) would have been insignificant.

Equity price risk

Equity price risk refers to the risk that the fair value of the investments will fluctuate due to changes in equity markets. Equity price risk arises from the realizable value of the investments that the Company holds which are subject to variable equity market prices which on disposition gives rise to a cash flow equity price risk. The Company will assume full risk in respect of equity price fluctuations.

Forward Looking Statements

This MD&A contain statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project”, “budget”, “forecast”, “should”, “will”, “may” or similar words suggesting future outcomes or statements regarding an outlook. In addition, the statements contained herein relating to “reserves” and “resources” are by their nature forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves or resources described can be profitably produced in the future. The recovery, reserves and resources estimates provided herein are internal estimates only and there is no guarantee that the estimated reserves or resources will be recovered. Therefore, actual results may differ materially from those anticipated in the forward-looking statements. 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 as required by law.

Assumptions

Forward-looking statements or information are based on a number of factors and assumptions which have been used in developing such statements and information, but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this MD&A, assumptions have been made regarding, among other things: the accuracy of geological and geophysical data and interpretation of that data; estimated decline rates; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the Company to operate in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing of and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate transportation for products; future oil and natural gas prices; foreign currency exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; the ability of the Company to successfully market its oil and natural gas products; and prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

Risks and Uncertainties

Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties which may cause actual results to differ materially from the forward-looking statements or information include, among other things: the ability of management to execute its business plan; general economic and business conditions; the risk of instability affecting the jurisdictions in which the Company operates; risks associated with the oil and natural gas industry in general (e.g. operational risks in exploring for, developing and producing crude oil and natural gas; market demand; changes to supply and demand for oil and natural gas; uncertainty of reserves estimates; uncertainty of estimates and projections relating to production, costs and expenses, including increased operating and capital costs due to inflationary pressures); the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; risks and uncertainties involving geology of oil and natural gas deposits; the ability of the Company to add production and reserves through acquisition, development and exploration activities; the Company's ability to enter into or renew leases; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of foreign currency exchange rates and interest rates; risks inherent in the Company's marketing operations, including credit risk; uncertainty in amounts and timing of royalty payments; health, safety and environmental risks; adverse weather or breakup conditions; risks associated with existing and potential future law suits and regulatory actions against the Company; uncertainties as to the availability and cost of financing; financial risks affecting the value of the Company's investments; actions of OPEC and OPEC+ members; the impact of Russia's military actions in Ukraine; the Israeli-Hamas conflict; and the impact of oil differentials on the Company's financial position. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

This disclosure contains certain forward-looking statements that involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control. These include, but are not limited to: the impact of general global economic conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; competition; the lack of availability of qualified personnel or management; the lack of availability of or access to services; fluctuations in foreign exchange rates, interest rates or commodity prices; the results of exploration and development drilling related activities; imprecision in reserve estimates; market volatility; changes to market valuations; and obtaining required approvals from regulatory authorities.

These known and unknown risks and uncertainties may cause actual financial and operating results, performance, levels of activity and achievements to differ materially from those expressed in, or implied by, such forward-looking statements. Accordingly, there is no assurance that the expectations conveyed by the forward-looking statements will prove to be correct. All subsequent forward-looking statements, whether written by or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

Corporate Information

As of the date of this report, the Company had the following directors and officers:

Tim de Freitas	President, Chief Executive Officer and Director
Mark Smith	Vice President, Finance and Chief Financial Officer
Kent Busby	Vice President, Production
Greg Feltham	Vice President, Exploration
Sumir Saini	Vice President, Land and Business Development
Sony Gill	Corporate Secretary
Robert Dales	Director
William Guinan	Director
Natalie Sweet	Director
Kathleen Dixon	Director