**Horizon Petroleum Ltd.**
**Restated Management's Discussion and Analysis**
**Three months ended November 30, 2024**

This restated management's discussion and analysis of financial position and results of operations ("restated MD&A"), prepared and dated as of March 31, 2025 provides an analysis of the restated operations and financial results of Horizon Petroleum Ltd. ("Horizon" or the "Company") for the three months ended November 30, 2024, and should be read in conjunction with the audited consolidated financial statements for the years ended August 31, 2024 (the "Financial Statements"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts included therein and in the following restated MD&A are expressed in Canadian dollars except where noted.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

Primary Changes
The financial statements for the three months period ended November 30, 2024 have been restated to reflect an increase in office costs and accounts payable of $25,960 reflecting a under accrual of costs and a decrease in consulting costs, and increase in prepaid expenses, of $62,500 which is an adjustment for an expenditure that was previously expensed in the period but has been reclassified to prepaid expenses. In addition, $1,858 was reclassified from Stock option reserve to Warrants on the Statement of Financial Position.

The Company is focused on oil and natural gas exploration and development.

Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

**Going Concern**

The development of the Company will depend on the Company's ability to obtain additional financing. In the past, the Company has relied on private placements to meet its cash requirements.

To continue as a going concern and to meet its corporate objectives, which primarily consists of investigating new potential oil and natural gas properties in Europe, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future. Factors that could affect the availability of financing include, but are not limited to, the state of international debt, equity and commodity markets as well as investor perceptions and expectations.

The Financial Statements were prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. If this assumption were not appropriate, adjustments to the Financial Statements may be necessary. Material uncertainties as to the Company's ability to obtain additional financing to fund future operations may cast significant doubt on the Company's ability to continue as a going concern. The successful future operations of the Company are dependent on the ability of the Company to secure sufficient funds through financing or other sources, and there are no assurances that such financing will be obtained.

**Forward-looking Statements**

This restated MD&A contains or incorporates by reference forward-looking information and statements (together "forward looking statements") which means disclosure regarding possible events, conditions, acquisitions, or results of operations that are based on assumptions about the Company's future conditions and courses of action.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", expects" or "does not expect", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" occur, suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are only predictions and actual events, or results may differ materially. Although we believe that the expectations reflected in the forward-looking statements and information are reasonable it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

In particular, forward-looking statements included in this restated MD&A include, but are not limited to:

- substantial capital requirements and liquidity;
- business strategy and planned acquisition and development strategy;
- expectations regarding our ability to raise capital;
- the completion of the Transformation Process to transform the Bielska-Biala and Cieszyn Concessions in Poland to the new concession laws and the timing thereof;
- financing risks and dilution to shareholders;
- oil and natural gas properties in which we may acquire an interest; and
- future operating and financial results.

By their nature, forward-looking statements involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and which are usually beyond the control of management, which could cause actual results to be materially different from those expressed by such forward-looking statements and information. Risks and uncertainties include, but are not limited to, volatility in market price for crude oil, condensate and natural gas; industry conditions; currency fluctuation; imprecision of reserve and resource estimates; liabilities inherent in oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel or management; changes in the regulatory environment; changes in income tax laws or changes in property tax laws relating to the oil and natural gas industry; ability to access sufficient capital from internal and external sources; and other risks identified in this restated MD&A under the heading "*Risk Factors*".

With respect to forward-looking statements contained in this restated MD&A, we have made assumptions that: the economic and political environment in which we operate or expect to operate will remain stable; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which we operate or expect to operate will remain stable; and we will be able to obtain financing on acceptable terms when necessary.

Readers are cautioned that the foregoing lists of risks and assumptions are not exhaustive. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements or information.

Forward-looking statements contained in this restated MD&A are made as of the date of this restated MD&A and we disclaim any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

**Highlights and Overview**

During calendar 2024 the Company focused its activities on Poland to complete the transformation of its Bielska-Biala and Cieszyn concessions to the new Polish concession laws (Transformation Process).

On October 30, 2024 the Company negotiated an amendment to its definitive agreement with San Leon Energy plc (SLE) to extend the due date for payment on the consideration owing. Following the granting of the Bielsko-Biala concession, the consideration owing is now due on the earlier of April 30, 2025 or 5 days after an equity closing of USD $2,000,000 or greater. On November 19, 2024 the Company's wholly owned Polish subsidiaries received the final, signed concession agreements for a 100% working interest in the Bielsko-Biala and Cieszyn concessions located in southwest Poland.

The completion of these steps satisfied the remaining conditions for graduation of the Company from the NEX to the TSX Venture Exchange as a Tier 2 Oil and Gas Issuer which occurred on November 26, 2024.

With the granting of the concessions, the Company can now book the independently evaluated probable reserves and 2C contingent resource values contained in the Lachowice gas development project which together exceed 200 bcf and have a Net Asset Value (discounted at 10%) that exceeds US$ 500 million (CAD $ 700 million). To prepare for the start of operations, the Company has held consultation meetings with local communities and local authorities regarding the development of the Lachowice gas field. The development has been very well received locally and the communities and authorities are supportive of the Company's development plans. Furthermore, Horizon has also commenced preliminary, preparatory operations at the Lachowice-7 well location in readiness for a well re-entry planned for Q3 2025 to establish first gas production from the initial stage of development.

During fiscal 2024 the Company successfully raised $1.1 million through private placements to fund its ongoing operations in Canada and Poland. However, we will need significant financing to develop its Poland opportunities as well as its business development activities in other countries. The successful conclusion of the transformation process will allow the Company to approach the equity market with a concrete development in Poland and we are hopeful of success in raising the required capital.

*Strategy and Outlook*

At this time, the Company does not have adequate resources to pay the consideration owing for the Acquisition. As such, management is investigating potential financing transactions that would provide the Company with the required resources. However, there can be no reliance on the success of any potential financing transactions or that Horizon will have sufficient capital to pay the consideration for the Acquisition.

**Operational Results**

For the three-month period ended November 30, 2024 the Company recorded a loss and comprehensive loss of $622,490 (three-month period ended November 30, 2023 – $196,128) and net cash flow used in operations of $221,288 (three-month period ended November 30, 2023 - $107,551).

The major components of the loss and comprehensive loss for the three months ended November 30, 2024 were Licenses and taxes of $238,714 (three months ended November 30, 2023-$ Nil), Salaries and benefits of $104,963 (three months ended November 30, 2023-$91,015), Consulting fees of $40,640 (three months ended November 30, 2023 -$Nil), Travel costs of $41,414 (three months ended November 30, 2023-$Nil), Professional fees of $37,701 (three months ended November 30, 2023-$36,287), Office costs of $59,286 (three months ended November 30, 2023-$15,675), Management fees of $24,595 (three months ended November 30, 2023-$16,616), and stock based compensation of $18,879 (three months ended November 30, 023–$23,992).

| **Three Months Ended** | | **November 30, 2024 Restated Note 12** | | November 30, 2023 |
|---|---|---|---|---|
| Expenses: | | | | |
| Licenses and taxes | **$** | **238,714** | $ | - |
| Salaries and benefits (Note 6) | | **104,963** | | 91,015 |
| Office costs | | **59,286** | | 15,675 |
| Travel costs | | **41,414** | | - |
| Consulting fees | | **40,640** | | - |
| Professional fees | | **37,701** | | 36,287 |
| Management fees (Note 6) | | **24,595** | | 16,616 |
| Stock based compensation (Note 5) | | **18,879** | | 23,992 |
| Transfer agent and regulatory fees | | **15,426** | | 2,529 |
| Shareholder communications and related | | **3,268** | | - |
| Bank charges | | **831** | | 549 |
| Foreign exchange loss | | **68,441** | | 9,465 |
| Gain on settlement of debt | | **(31,667)** | | - |
| **Total expenses** | | **622,490** | | 196,128 |
| **Loss and comprehensive loss** | **$** | **622,490** | $ | 196,128 |
| Basic and diluted loss per common share | **$** | **(0.02)** | $ | (0.01) |
| Weighted average number of common shares outstanding, basic and diluted | | **41,204,555** | | 23,786,135 |

**Quarterly Information**

| | 3 months November 30 2024 Restated $ | 3 months August 31 2024 $ | 3 months May 31 2024 $ | 3 months February 29 2024 $ |
|---|---|---|---|---|
| **Total Assets** | 961,835 | 116,141 | 237,928 | 91,256 |
| **Total Revenue** | - | - | - | - |
| **Working Capital (deficiency)** | (2,722,702) | (3,465,459) | (3,093,523) | (3,307,676) |
| **Profit (loss)and comprehensive** | (622,490) | (404,256) | (316,255) | (271,169) |
| **Weighted average number of common shares outstanding, basic and fully diluted** | 41,204,555 | 28,082,299 | 30,919,106 | 23,786,135 |
| **Weighted average loss per-share, basic and fully diluted** | (0.02) | (0.01) | (0.01) | (0.01) |

| | 3 months November 30 2023 $ | 3 months August 31 2023 $ | 3 months May 31 2023 $ | 3 months February 28 2023 $ |
|---|---|---|---|---|
| **Total Assets** | 71,157 | 200,595 | 476,393 | 710,184 |
| **Total Revenue** | - | - | - | - |
| **Working Capital (deficiency)** | (3,060,499) | (2,888,362) | (2,414,459) | (2,284,068) |
| **Profit (loss) and comprehensive** | (196,128) | (441,231) | (284,243) | (266,733) |
| **Weighted average number of common shares outstanding, basic and diluted** | 23,786,135 | 22,166,685 | 21,640,069 | 20,436,002 |
| **Weighted average loss per-share, basic and fully diluted** | (0.01) | (0.02) | (0.01) | (0.01) |

**Quarterly Information and Analysis**

During the restated three-month period ended November 30, 2024 (the “current period”) the Company had a loss and comprehensive loss of $622,490 compared to a loss and comprehensive loss of $196,128 for the three-month period ended November 30, 2023 (the “prior period”). An analysis of the operating results are as follows:

*Licenses and Taxes*
Licenses and taxes during the current period totaled $238,714 compared to $ Nil for the prior period. The costs in the current period relate to the licenses and taxes owing to the Polish Government upon the Company’s signing of the Bielsko-Biala and Cieszyn concessions.

*Salaries and benefits and Management Fees*

During the current period, salaries and benefits and management fees totaled $129,559 compared to $107,631 for the prior period. During the current period, the Company had three executive staff in Calgary paid $120,000 per person per year and a general manager in Poland with a management fee of $USD 6,000 per month. In addition there was a $7,200 adjustment for prior period benefits. In the prior the Poland general manager started in October, 2023 so only two months of management fees were incurred.

*Consulting fees*

During the current period, consulting fees totaled $40,640 compared to $ Nil for the prior period. Consulting fees in the current period related to work in Poland to prepare for the 2025 work program, $28,139, and an amortization of a prepaid consulting fee of $62,500.

*Travel Costs*

Travel costs during the current period totaled $41,414 compared to $ Nil for the prior period. All travel in the current period was to Poland and Central Europe for operational and business development purposes.

*Professional fees*

During the current period, professional fees totaled $37,701compared to the $36,287 spent in the same period in 2023. Fees and activity were consistent between the two periods.

*Office costs*

During the current period office costs totaled $59,286 compared to $15,675 for the same period in 2023. 2024 costs were higher due to higher office support and insurance costs.

*Stock based compensation.*

Stock based compensation for the current and prior periods was $18,879 and $23,992 respectively. The charges related to the amortization of the Black Scholes valuation of the May 25, 2023 and April 11, 2024 stock option grants.

*Transfer agent and regulatory fees*

Transfer agent and regulatory fees for the current and prior periods was $15,426 and $2,529 respectively. The increase in fees in the period was due to the Company graduating to the TSX Venture exchange in the period.

*Foreign Exchange*

During the current period Foreign exchange losses were $68,441 compared to a loss of $9,465 for the same period in 2023. In both years, the foreign exchange gains and losses were derived from the conversion of foreign currency denominated accounts payable and acquisition costs payable for $USD or Euros to $CDN.

*Gain on settlement of debt*

The gain on settlement of debt for the current period was $31,667 compared to $Nil for the same period in the prior year. The gain on settlement of debt in the current period relates to a Luxembourg tax liability reversed when the Luxembourg subsidiaries were wound-up in the current period.

**Liquidity and Capital Resources**

As at November 30, 2024, the Company had cash and cash equivalents of $856,488 and a working capital deficiency of $2,722,702 compared to cash and cash equivalents of $76,408 and a working capital deficiency of $3,465,459 as at August 31, 2024.

The future development of the Company will depend on the Company’s ability to obtain additional financing. In the past, the Company has relied on private placements to meet its cash requirements. The Company will need to raise further capital, most likely through the equity markets. The Company currently intends to raise the capital required for completion of the Transformation Process through equity financing.

To continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Factors that could affect the availability of financing include, but are not limited to, the state of international debt, equity and commodity markets, and investor perceptions and expectations. Failure to obtain such financing on a timely basis could cause the Company to further reduce capital spending and could lead to the loss of the Primary Concessions, or the failure of the Company to successfully complete the Transformation process due to an inability to demonstrate financial capacity to complete the agreed work programs, if and when determined pursuant to negotiations with the Polish government.

The Company's Financial Statements were prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. If this assumption were not appropriate, adjustments to the annual consolidated financial statements may be necessary. Material uncertainties as to the Company's ability to obtain additional financing to fund future operations may cast significant doubt on the Company's ability to continue as a going concern. The successful future operations of the Company are dependent on the ability of the Company to secure sufficient funds through financing or other sources, and there are no assurances that such financing will be obtained.

**Exploration and Evaluation Assets**

The Company has two concessions in Poland, Bielsko-Biala and Cieszyn. As the assets are in the predevelopment phase, all expenditures are expensed as incurred.

**Related Party Transactions**

The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel:

| | Three Months November 30, 2024 | | ThreeMonths November 30, 2023 | |
|---|---|---|---|---|
| Executive Compensation (a) | $ | 90,000 | $ | 90,000 |
| Share-based payments (b) | $ | 16,978 | $ | 20,806 |

(a) Executive compensation includes all management fees and salaries accrued to the Company's current CEO, President and CFO. Compensation included in Salaries and benefits and *Management fees o* n the Consoldiated Statement of Loss and Comprehensive Loss.

(b) Share based payments are the estimated fair value of options granted to the Company's current CEO, President and CFO and Directors. See Note 5.

Refer to the Commitments and Contingencies section below for details on certain management contracts.

**Off Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

**Commitments and Contingencies**

(a) The Company's oil and gas activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(b) The Company has discontinued oil and gas operations in various jurisdictions and has sold, dispersed of, or written down the carrying value of the related assets to nominal amounts. An estimate of the total liability, if any, for which the Company might become obligated as a result of its role as operator, guarantor, or indemnifier is not determinable, nor expected to be material, and no amount has been provided for in these consolidated financial statements.

(c) The Poland concessions are subject to annual license fees and a mining usufruct fee. The amounts due upon signing of the concessions have been accrued in these interim condensed consolidated financial statements.

(d) During 2020, the Company received a tax assessment for Petromanas in the amount of €2,085,686 ($3,248,039) relating to taxes assessed on a 2017 gain on intercompany debt forgiveness. The Company disagrees with the assessment and would have disputed the amount. However, during 2020, the Company lost control of Petromanas as it entered a court approved liquidation process (see Note 2(c)). Accordingly, no amounts have been accrued in these consolidated financial statements relating to this contingent liability.

During 2021 the Company was advised that the liquidator for Petromanas commenced action against the Company's subsidiary Gallic Lux 2 in order to recover the amount owing pursuant to the tax assessment. The Company believes the claims are without merit. As the ultimate resolution of this dispute cannot be predicted at this time, no liability has been accrued related to it as at November 30, 2024 and August 31, 2023.

(e) The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued.

(f) The Company is party to certain management contracts. At November 30, 2024 these contracts contain minimum commitments of approximately $544,000. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

**Capital Resources and Commitments**

The Company has no active concessions in Poland until such time as the Transformation Process is completed. The work and financial commitments and fees will be finalized on conclusion of the Transformation Process.

The Company no longer has any assets in France and has no further obligations.

**Investor Relations**

The Company does not have any agreements with any firm to provide Investor Relations services.

**Financial Instruments and Risks:**

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

(b) Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantively the full term of the asset or liability; and

(c) Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have any financial instruments carried at fair value as at November 30, 2024 or August 31, 2024.

The carrying values of cash, receivables, accounts payable and accrued liabilities, notes payable and acquisition cost payable approximate their fair values because of their short terms to maturity.

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. The type of risk exposure and the way in which such exposure is managed is provided below:

(a) Credit risk:

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk by only investing its cash with high credit quality financial institutions in business and saving accounts. The carrying amount of cash and receivables represents the Company's maximum exposure to credit risk.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing financial instruments which bear interest at variable rates. The Company is not exposed to material interest rate risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows used in operations and the Company's holdings of cash. The Company's cash is currently invested in business accounts which are available on demand by the Company for its programs. As at November 30, 2024, the Company had cash of $856,448 (August 31, 2024 - $76,408) to settle current liabilities of $3,684,537 (August 31, 2024 - $3,581,600).

(d) Foreign currency:

The Company is exposed to foreign currency risk as some of its cash and accounts payable and accrued liabilities are held in United States dollars ("USD"), Euros(€) and Polish Zloty. A portion of the Company's acquisition cost payable is denominated in USD and Euros. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

**Capital Management**

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to acquire, explore, and develop other mineral properties.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

In the management of capital, the Company includes shareholders' equity in the definition of capital. The Company is not exposed to externally imposed capital requirements. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets. There were no significant changes in the Company's approach to capital management during the three months ended November 30, 2024 or the year ended August 31, 2024.

In order to maximize ongoing exploration and future development efforts, the Company does not pay dividends. Notwithstanding the risks described in the Corporate information and going concern section of the restated MD&A, the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

**Business Risks and Uncertainties**

The Company is a junior resource exploration and development company, with no material property interests. Resource exploration and development is inherently speculative in nature, and generally risky for many varied reasons. The Company has a limited history of operations and there can be no assurance our business will be successful or profitable.

**Readers should consider the investment risks set out below and those described elsewhere in this restated MD&A, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The risks set out below are considered to be the most significant, but not definitive, of all possible risks associated with an investment in the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Board is currently unaware or which they consider not to be material in relation to our business, the assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.**

- **No History of Earnings**

  The Company has no history of earnings, limited cash reserves, and a limited business history. The Company is in the "start-up" phase of its plan to enter the oil and natural gas industry as a junior exploration company; and the operations are not sufficiently established such that it can mitigate the risks associated with its planned activities.

- **Substantial Capital Requirements: Liquidity**

The Company will require significant amounts of new capital to carry out any oil and natural gas property acquisitions, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain business opportunities and reduce or terminate its operations. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes, or if debt or equity financing is available, that it will be on terms the Company deems acceptable. Moreover, future activities may require the Company to alter its capitalization significantly. The Company's inability to access sufficient capital for its operations could have a material adverse effect on the business, financial condition and results of operations.

The Company may be required to issue securities on terms less favorable than made to current shareholders in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of Common Shares or securities convertible into Common Shares will result in dilution, possibly substantial, to existing shareholders.

- **Dependence on Key Personnel**

The Company's success is currently dependent on the services of its directors and officers; and in the future may be dependent upon key employees. The experience of these individuals is a key factor to its future success and growth. The Company does not have and may not acquire any key man insurance policies and therefore there is a risk that the death or departure of any member of management would have a material adverse effect on its business. Investors who are not prepared to rely on existing management should not invest in the Company's securities.

- **Conflicts of Interest**

There are potential conflicts of interest to which the Company's directors and officers may be subject in connection with its operations. Some directors and officers may be, or may become, engaged in other ventures in the oil and natural gas industry in which the Company would not have an interest, and situations might arise where proposed directors and officers will be in direct conflict with the Company. Conflicts of interest will be governed by the procedures established by applicable corporate laws.

- **Management of Growth**

Should the Company be successful in completion of the Transformation Process and the development of the Primary Concessions, and in identifying and acquiring any further interests in a material oil and natural gas projects, the Company may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of development and limited number of management personnel.

The Company's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability to deal with this growth could have a material adverse impact on its business, operations and prospects.

- **Issuance of Debt**

From time to time, the Company may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. The level of indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

- **Volatile Stock Price**

The price of the Common Shares is expected to be highly volatile and will be drastically affected by the success of exploration and development results as well as global commodities markets. The Company cannot predict the results of future activities nor of commodity pricing.

- **Dividends**

The Company has not paid any dividends and is unlikely to pay dividends in the immediate or foreseeable future. The future payment of dividends will be dependent upon realizing revenues, generating net income, the financial requirements to finance future growth, the overall financial condition, and other factors which the Board may consider appropriate in the circumstances. There is no assurance the Company will ever be in a position to pay dividends, or that the same will be paid even if net income was available for distribution.

**Oil and Natural Gas Property Risks**

- **Acquisition Risks**

The Company currently has interests in Poland in connection with the Acquisition, which are subject to a number of risks, including those related to completion of the Transformation Process. There are further potential acquisition, exploration, exploitation, development and production opportunities. Management will continue to evaluate prospects on an ongoing basis. The Company's long-term commercial success will depend on its ability to acquire, develop and commercially exploit natural gas reserves in Poland and Europe. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, it may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

- **Exploration, Exploitation, Development and Production Risks**

Oil and natural gas exploration, exploitation and development involves a high degree of risk and there is no assurance that expenditures made on the Company's future exploration, exploitation and development activities will result in new discoveries of oil or natural gas in commercial quantities.

It is difficult to project the costs of implementing drilling programs due to the inherent uncertainties of drilling in the gas bearing reservoirs at the Lachowice gas field and also in unknown formations. The costs associated with encountering various drilling conditions such as over-pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior wells or additional seismic data and interpretations thereof are difficult to predict.

Future oil and natural gas exploration, exploitation and development may involve unprofitable efforts, not only from any non-producing wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While close well-supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash-flow levels to varying degrees.

In addition, oil and natural gas operations are subject to the usual risks including encountering unexpected formations or pressures, premature declines of reservoir pressures, blow-outs, cratering, sour natural gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

- **No Assurance of Title**

Title to or rights in oil and natural gas properties may involve certain inherent risks due to, among other things, problems arising from complex and historical title holdings, unregistered claims and changing governmental rules and policies. Although we will conduct reasonable investigations with respect to the validity of ownership, there can be no assurance that it will hold good and marketable title to any of its concessions or future acquired properties.

- **Licensing and Permitting Delays**

The Company's operations will require licenses and permits from various governmental authorities, including successful completion of the Transformation Process. There can be no assurance that the Company will be successful in completing the Transformation Process, or that it will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

- **Disruptions in Production**

Other factors affecting the exploration and development of oil and natural gas properties that could affect future profitability include: (i) expiration or termination of leases, permits or licenses, (ii) changes in market prices for commodities or suspension of deliveries; (iii) future litigation; (iv) the timing and amount of insurance recoveries; (v) work stoppages or other labour difficulties; (vi) worker vacation schedules and related maintenance activities; and (vii) changes in the market and general economic conditions. Weather conditions, equipment replacement or repair, fires, amounts of natural materials and other geological conditions can have a significant impact on operating results.

- **Shortages of Equipment and Access Restrictions**

Exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for a limited supply of equipment or access restrictions may adversely affect the availability of such equipment and may delay exploration and development activities, which could in turn adversely affect the Company's continued operations.

**Industry, Country and Other Risks**

The Company's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond our control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the supply of and demand for oil and natural gas;
- commodity prices;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- currency fluctuations;

- greenhouse gas regulations;
- the availability and productivity of skilled labour; and
- regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Company may be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it hopes to produce.

- **Environmental Concerns**

All phases of the oil and natural business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. Compliance with such legislation can require significant expenditures, and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws or agricultural or other land use requirements will not result in a curtailment of future production and operations, or a material increase in operating costs, gas development and exploration activities or otherwise adversely affect the Company's financial condition, results of operation or future prospects.

In certain areas where the Company may operate, spills, releases and other environmental and safety issues can occur as a result of sabotage and damage to wells and pipelines. Depending on the cause and severity of an environmental incident, our reputation may also be adversely affected, which could limit our ability to obtain permits and implement future plans.

Our future operations will be subject to various Polish and European Union environmental laws. The Company intends to conduct its oil and gas activities in an environmentally responsible manner and in accordance with all applicable laws.

There can be no assurance that any new environmental laws, regulations, or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect upon the Company's business, financial condition and results of operations.

- **Climate Change Legislation**

Governments around the world have become increasingly focused on addressing the impacts of global climate change, particularly in the reduction of gases with the potential to contribute to greenhouse gas levels in the atmosphere. The oil and natural gas industry is subject to stringent environmental regulations in Poland and Europe. The political climate is leading to new programs for environmental laws and regulations, particularly in relation to the reductions of emissions and emissions intensities and there is a risk that any such programs, laws and regulations, if proposes and enacted, will contain emission reduction targets that may result in operating restrictions and/or compliance costs to avoid a breach of applicable legislation.

Governments climate change policies are emerging and evolving at the regional, national and international levels in Poland and Europe. Political and economic events may significantly affect the scope and timing of climate change measures that are ultimately implemented. The implementation of such climate change strategies by the government in Poland or any country the Company may operate in the future for reducing greenhouse gas emissions could have a material impact on the future operations and financial condition of the Company. Furthermore, concerns about climate change have resulted in a number of concerned parties opposing the continued exploitation and development of hydrocarbons. Given the evolving nature of the climate change debate and the resulting potential changes to climate change and environmental legislation, it is not possible to predict the impact of such changes on the Company, its future operations, its financial condition and its ability to raise capital or other financing and its future cost of capital.

- **Public Health Crises**

A regional, national or international outbreak of a contagious disease, such as Covid-19, could have an adverse effect on local, regional and potentially global economies that may adversely impact the demand and prices for oil and gas. A public health crisis could also impact on the Company's ability to conduct operations and may result in temporary shortages of personnel to the extent that the Company's workforce is impacted. Such an impact could have a material adverse effect on the Company's business, financial condition, organization, results of operations and future cash flows.

- **Governmental Regulation**

The oil and natural gas business is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possible expropriation or cancellation of contract rights and property interests, as well as with respect to prices, taxes, export quotas, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for oil and natural gas, increase the Company's costs and have a material adverse effect on the Company and its business.

- **Competition**

The oil and natural industry is highly competitive. The Company actively competes for oil and natural gas rights and lands, reserve acquisitions, exploration, exploitation and development leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and natural gas companies, many of which have significantly greater financial and other resources. As such the Company cannot guarantee that it will be able to access the personnel required with the appropriate expertise and experience.

**Current Share Data**

As of November 30, 2024 the Company had:

a) 46,698,364 common shares issued and outstanding;

b) 1,900,000 stock options outstanding entitling the holder to purchase one common share at a price of $0.25 per share. 633,333 of the options vested on May 25, 2023, the grant date and 633,333 on the first anniversary date. The remaining options vest on the second anniversary of the grant. All options expire on May 25, 2028:

c) 1,040,000 stock options outstanding entitling the holder to purchase one common share at a price of $0.075 per share. 346,667 of the options vested on April 11, 2024, the grant date. The remaining options vest equally on the first and second anniversary of the grant. All options expire on April 11, 2029:

d) 3,100,000 warrants outstanding entitling the holder to purchase one common share at a price of $0.075 per share expiring on March 1, 2025,

e) 5,470,000 warrants outstanding entitling the holder to purchase one common share at a price of $0.075 per share expiring on March 28, 2025,

f) 1,400,000 warrants outstanding entitling the holder to purchase one common share at a price of $0.075 per share expiring on May 21, 2025,

g) 6,809,513 warrants outstanding entitling the holder to purchase one common share at a price of $0.30 per share expiring on September 17, 2028,

h) 2,222,970 warrants outstanding entitling the holder to purchase one common share at a price of $0.30 per share expiring on October 31, 2028,

i) 1,045,455 warrants outstanding entitling the holder to purchase one common share at a price of $0.30 per share expiring on October 31, 2025.

Additional information is available on SEDAR at www.sedar.com

**Critical Accounting Estimates**

Horizon's financial and operating results contain judgements, estimates and assumptions made by management 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.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed below:

(a) Share-based payment transactions:

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share- based payment transactions are disclosed in Note 8 of the financial statements.

(b) Decommissioning liabilities:

Decommissioning liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals.

(c) Income, value added, withholding and other taxes:

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities.

All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(d) Business combinations vs. asset acquisitions

Determination of whether a set of assets acquired, and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. In making this determination, the Company considers items including but not limited to whether there are inputs and processes attributable to the set of assets and liabilities, the extent of the infrastructure in place, the work required to bring the acquired assets to production and whether the project has resources or reserves. Such judgments are inherently uncertain and could have a significant effect on the method of accounting for the acquisition and the disclosures required.

(e) Impairment of exploration and evaluation properties

While assessing whether any indications of impairment exist for exploration and evaluation properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties and equipment. Internal sources of information include the manner in which exploration and evaluation properties are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future pre-tax cash flows expected to be derived from the Company's exploration and evaluation properties, costs to sell the properties and the appropriate discount rate. Reductions in oil and gas price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable reserves and resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation properties and equipment.

(f) Commitments and contingencies

See Note 10 of the November 30, 2024 financial statements.

**Decommissioning Obligations**

The Company recognizes the liability for the decommissioning associated with the abandonment of petroleum and natural gas wells, related facilities, the removal of equipment, and the restoration of land to its original condition. The fair value of the Company's obligation is recorded in the period a well or related property is drilled, constructed or acquired. Fair value is estimated using the present value of the estimated future cash outflows to abandon the assets at the Company's risk-free interest rate based on the expected timing of such cash outflows. Future costs and their expected timing are estimates that are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates could be material in future periods.

**Share-based Compensation**

Share-based compensation is a non-cash expense calculated in respect of options and warrants granted. The calculation is based on the estimated fair value of the options and warrants at the time granted and is recognized as an expense over the respective vesting periods. The fair value of options is estimated using the Black-Scholes pricing model based on estimates and assumption for the expected life, volatility, risk-free interest rate, forfeiture rate, and dividend yield. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates could be material in future periods.

**Accounting standards, amendments and interpretations:**

New Accounting Standards

During the period ended November 30, 2024, the Company adopted a number of amendments and improvements of existing standards. These included IAS 21 and IFRS 3. These new standards and changes did not have any material impact on the Company's financial statements.

*Recent accounting pronouncements*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing September 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. Management is currently evaluating the impact of these pronouncements on the Company's consolidated financial statements.

*IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures*. In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to asses the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

*IFRS 18 – Presentation and Disclosure in Financial Statements.* In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

*IFRS* – 6 Exploration and evaluation expenditures during predevelopment phase: In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy was applied retrospectively. However, as there was no capitalized exploration asset value as at November 30, 2024 and August 31, 2024, no changes were required to the financial statements as previously reported. In prior periods the Company's policy was to capitalize exploration expenditures until such time the predevelopment phase is completed. Once the predevelopment phase is complete, being when technical feasibility and commercial viability of the property are demonstrated, the Company will capitalize expenditures related to Poland.

The Company elected to change this accounting policy to expense all future predevelopment expenses.

Expenditures during the predevelopment phase are expensed as incurred. The Company is currently in the predevelopment phase in Poland and all related expenditures are recorded as expenses. Expenditures are required in the predevelopment phase in Poland

**Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure document provided by the Company, which can be accessed www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.