MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

The following discussion of the operating results and financial position of Decklar Resources Inc. (the "Company" or "Decklar"), formerly Asian Mineral Resources Limited should be read in conjunction with the Company's consolidated financial statements and related notes for the years ended December 31, 2020 and 2019, which were prepared in accordance with International Financial Reporting Standards (IFRS) by management and are available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. All amounts are in Canadian dollars (CAD) unless otherwise stated. References to the "Company", "Decklar", "we", "our" and "us" means Decklar Resources Inc., its predecessors and consolidated subsidiaries, or any one or more of them as the context requires.

This management's discussion and analysis ("**MD&A**") has been prepared as of April 27, 2021, with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators.

Forward-Looking Information

This MD&A contains "forward-looking information," which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its projects, future metals and oil prices, the estimation of mineral reserves and mineral resources, estimates of oil reserves and future net revenues, the realization of mineral reserve and resource estimates, supply and demand for petroleum, the timing and amount of estimated future production, revenues, margins, costs of production, estimates of initial capital, sustaining capital, operating, and exploration expenditures, costs and timing of the development of deposits, projections of market prices and costs, costs and timing of future exploration, requirements for additional capital, foreign exchange risks, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes, or claims, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and a variety of material factors, many of which are beyond the Company's control which may cause the actual results, performance or achievements of Decklar, its subsidiaries and affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. There can be no assurance that the Company will obtain licenses or other approvals when needed, or at all, or that further exploration of the Oza Oil Field will lead to additional commercial discoveries or, if there are commercial discoveries, that the Company will be able to realize such resources as intended. Readers are cautioned that forward-looking statements may not be appropriate for other purposes than outlined in this document. Such factors include, among others, future metals and oil prices; general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar (USD) and Canadian dollar relative to the local currencies in the jurisdictions of the Company's key projects; changes in project parameters as plans continue to be refined; possible variations of ore grade or projected recovery rates; accidents, labour disputes or slow-downs and other risks of the mining industry; climatic conditions; political instability; labour force availability and turnover; delays in obtaining financing or governmental approvals or in the completion of exploration and development activities; as well as those factors referred to in the section entitled "Risks and Uncertainties" section of the MD&A. The reader is also cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the Company's forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this document and, except as required by applicable law, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

In addition, please note that statements relating to "reserves" or "resources" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that, the resources and reserves described can be profitably mined or produced in the future.

Business

The Company was originally incorporated pursuant to the *New Zealand Companies Act* 1993. Effective December 31, 2004, it was continued as a British Columbia corporation under the *British Columbia Business Corporations Act* (BCBCA).

In July 2020, the Company closed its acquisition of Nigerian-based Decklar Petroleum Limited ("DPL"), which has a Risk Service Agreement ("RSA") with Millenium Oil and Gas Company Limited ("Millenium") on the Oza Oil Field. The Oza Oil Field is located onshore in the northern part of Oil Mining License 11 ("OML 11") in the Eastern Niger Delta of Nigeria. The concession covers a 20 square kilometre area carved out of OML 11 in 2003 as part of the Nigerian Government's Marginal Field Development Program and is surrounded by other producing fields. Significant investment has been made in the Oza Oil Field by Millenium, including acquisition and installation of production and transport infrastructure, pipelines, a metering system, and a production facility. Additional critical infrastructure is in place, including export pipeline access tied into the Trans Niger Pipeline, which flows from the southern part of OML 11 to the Bonny Export Terminal, the largest terminal on the African continent. In exchange for technical and financial support, Decklar will be entitled to an 80% economic interest (pre-cost recovery) in the Oza Oil Field, which reduces on a sliding scale after cost recovery to 40% once cumulative production exceeds 10 million barrels of oil. Decklar and Millenium have plans in place for near-term well re-entries and additional development drilling at the Oza Oil Field.

2020 Annual Highlights

Acquisition of Decklar Petroleum Limited

On July 16, 2020 the Company acquired all the issued and outstanding shares of Nigeria-based Decklar Petroleum Limited. DPL's sole asset is an RSA with Millenium. Millenium has an ownership in and is the operator of the Oza Oil Field located onshore in the northern part of OML 11 in the Eastern Niger Delta of Nigeria. The RSA entitles Decklar to cost recovery and a share of distributable funds from the Oza Oil Field in exchange for technical and financial support.

(For further detail on the Acquisition of DPL, please see the **Decklar Petroleum Limited** section).

Decklar and Millenium Funding

DPL has entered into a subscription agreement with San Leon Energy Plc ("San Leon"), which entitles San Leon to purchase US$7,500,000 of 10% unsecured subordinated loan notes of DPL and 1,764,706 ordinary shares of DPL for a cash consideration of US$7,500,000 and ₦1,764,706, respectively. An option agreement has also been negotiated between DPL and San Leon, which allows for the purchase of additional loan notes and DPL shares if certain operating results are achieved. San Leon advanced US$750,000 as an initial deposit, while the balance of the US$7,500,000 requires the satisfaction (or waiver) of certain conditions precedent in the Subscription Agreement. Additionally, if those conditions precedent are not met prior to April 30, 2021, DPL is required to repay the US$750,000 within three months of that date.

Millenium has entered a non-binding term sheet with a local Nigerian bank and the trading subsidiary of a large multinational oil company for up to US$33,000,000 in a five-year term loan that allows refinancing existing debt and funds for development of the Oza Oil Field. DPL is expected to provide a corporate guarantee as part of this debt facility.

(For further detail on the DPL and Millenium Funding please see the 'Decklar Petroleum Limited' section).

Corporate name and TSX-V symbol change

Effective September 9, 2020, the Company changed its name from Asian Mineral Resources Limited to Decklar Resources Inc. and its TSX Venture Exchange (TSX-V) symbol from ASN to DKL. This name change was precipitated by the acquisition of DPL and the refocus of the Company's strategy to exploration and development of oil and gas projects in the prolific West Africa region.

Exercise of warrants

During the 2020 year, warrant holders exercised 10,200,003 warrants at $0.10 per warrant resulting in the issue of 10,200,003 treasury common shares of the Company for total proceeds of $1,020,000.

Subsequent Events

Private Placement

On March 8, 2021, the Company announced that it had completed a private placement, issuing 16,865,714 common shares at a price of $0.28 per share for total proceeds of $4,722,400. All common shares issued pursuant to the placement were subject to a four-month hold. Brokers fees included cash of $8,400 and 430,000 common shares.

Unit Offering

On April 13, 2021, Decklar announced a non-brokered financing to raise gross proceeds of up to $15,000,000 by way of a unit offering (the "Offering") at a price of $1.00 per unit (a "Unit"), with each Unit consisting of one common share of Decklar (a "Common Share") and one-half common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of $1.50 per Common Share for a period of 12 months from the closing date of the Offering. Decklar has engaged Echelon Wealth Partners Inc. as strategic financial advisor in connection with the Offering. Funds raised by this planned Offering will be used to pursue new oil and gas development opportunities in Nigeria and for general corporate purposes.

Decklar Petroleum Limited

During the year the Company acquired as a wholly owned subsidiary DPL, whose sole asset is an RSA with Millenium, a JV partner and operator of the Oza Oil Field. The RSA entitles DPL to cost recovery and a share of distributable funds from the Oza Oil Field in exchange for technical and financial support.

The aggregate purchase price was $7,105,454, payable through the issuance of 30,000,000 common shares of the Company ("Shares") based on the fair value of the net assets acquired. Of the aggregate purchase price, 22,000,000 Shares were paid on closing of the acquisition with the balance of 8,000,000 Shares being payable if the Oza Oil Field achieves production net to Millenium of 1,000 barrels of oil per day (bopd) for a period of ten consecutive days in any thirty day period within twelve months of the date of closing.

The 22,000,000 Shares paid were allocated (i) 14,000,000 Shares to the shareholders of DPL; and (ii) 8,000,000 Shares to extinguish outstanding debt owed by DPL to certain arm's length third parties. None of the DPL shareholders nor third party debt providers are related to the Company and the acquisition is not a Non-Arm's Length transaction within the meaning of the policies of the TSX-V.

The Oza Oil Field was formerly operated by Shell Petroleum Development Company of Nigeria Ltd. ("Shell"). The field has three wells and one side track drilled by Shell between 1959 and 1974. During the period when Shell was the operator, there were two periods of extended production testing from the Oza-1, -2 & -4 wells. The field was not tied into an export facility and was not fully developed by Shell nor put into commercial production.

In 2003, the Oza Oil Field was awarded to Millenium during the Marginal Fields Licensing Round. Since Millennium and the other joint venture partners acquired the Oza Oil Field, approximately US$50 million has been spent in production facilities infrastructure in support of a restart of production including an export pipeline to tie the field into the Shell Trans Niger Pipeline to the Bonny Export Terminal, a lease automatic custody transfer unit fiscal metering system, infield flowlines, manifolds, and a rental Early Production Facility. The RSA with Millenium provides DPL the majority share of production and associated cash flow from the Oza Oil Field in exchange for funding and technical assistance to restart commercial production and full field development. The RSA terms also include a preferential return of DPL's costs plus a share of cash flow thereafter. Until full cost recovery is achieved, DPL is entitled to priority recovery of its capital from 80% of distributable funds. After achieving cost recovery, DPL's profit share is based on a sliding scale starting at 80% and ultimately declining to 40% once cumulative production exceeds 10 million bbls.

Upon final drawdown of the Loan Notes and Development Debt (each as defined below), Decklar intends to fast-track the initial development on the Oza Oil Field including a re-entry of the existing Oza-1 well, with anticipated testing of three identified oil-bearing zones and plans to place the well into production from two of the three zones tested. The drilling rig is expected to then be skidded on the same location as Oza-1 to a new drilling slot, and a development well will be drilled horizontally into the 3rd zone tested in the Oza-1 well re-entry. The Oza-1 well and new horizontal development well are anticipated to generate significant production levels and cash flow in a short time frame. The Oza Oil Field development is anticipated to then continue with one or two more re-entries of existing wells and additional development drilling with a potential of eight to ten wells being drilled for full field development. Additional early production and central processing facility capacity will be added as required to accommodate increased production levels from field development activities.

Decklar and Millenium Funding

Subscription Agreement

DPL has entered into a subscription agreement (the "Subscription Agreement") with San Leon Energy Plc ("San Leon"), an AIM-listed public company focused on Nigerian production and development assets, which is arm's length to the Company (within the meaning of the policies of the TSX-V). The Subscription Agreement entitles San Leon to purchase US$7,500,000 of 10% unsecured subordinated loan notes of DPL (the "Loan Notes") and 1,764,706 ordinary shares ("DPL Shares") of DPL (representing 15% of the share capital of DPL) for a cash consideration of US$7,500,000 and ₦1,764,706, respectively. In addition, DPL and San Leon have entered into an option agreement (the "Option Agreement") that entitles San Leon to purchase an additional US$7,500,000 of Loan Notes (the "Option Loan Notes") and 2,521,008 DPL Shares (increasing their interest to 30% of the share capital of DPL) for cash consideration of US$7,500,000 and ₦2,521,008, respectively, at any time until the date that is forty-five (45) days after the well test results of the first development well on the Oza Oil Field have been delivered to San Leon.

The Subscription Agreement provides for certain conditions precedent to be confirmed prior to finalizing and issuing of the Loan Notes and DPL Shares, including entering into an agreed form of shareholders' agreement in respect of DPL and the restructuring of certain historical indebtedness by the owner/operator of the Oza Oil Field, Millenium, to the satisfaction of San

Leon at its sole discretion. Concurrently with entering into the Subscription Agreement, San Leon advanced US$750,000 as an initial deposit (the “Deposit”) with the release of the balance of the US$7,500,000 being subject to the satisfaction (or waiver) of the conditions precedent contained in the Subscription Agreement. In the event the transactions contemplated by the Subscription Agreement are not completed on or prior to April 30, 2021, DPL will be required to repay the Deposit to San Leon within three months of that date.

In addition, Millenium has entered a non-binding term sheet with a local Nigerian bank and the trading subsidiary of a large multinational oil company active in Nigeria for up to US$33,000,000 in a five-year term loan that provides a use-of-proceeds of US$22,000,000 to refinance existing debt of Millenium and US$11,000,000 for development activities on the Oza Oil Field, based on entering a crude sales and purchase contract. DPL is expected to provide a corporate guarantee as part of this US$33,000,000 term debt facility (“Development Debt”).

Loan Notes

The terms of the Loan Notes provide for an interest rate of 10% per annum, which accrues on a quarterly basis and will have a maturity date that is five years from the date of issuance. No payments (whether on account of interest or principal) are required under the Loan Notes unless there are available funds from operations (after considering any required debt servicing payments, general and administrative expenses, approved joint venture capital and operating costs required to be funded by DPL under the RSA with Millenium, taxes and other statutory payments) (the “Available Funds”). All Available Funds shall be applied to the payment of interest and principal in respect of the Loan Notes until they are repaid in full. Upon repayment of the Loan Notes, 50% of the Available Funds will be applied to payment of interest and principal in respect of the Option Loan Notes until they are repaid in full, with the remaining 50% of such Available Funds being retained by DPL. The Loan Notes are unsecured, subordinated and contain customary events of default. The Loan Notes do not contain any financial or other maintenance covenants.

Financial Summary

Selected Annual Information

	2020	2019	2018
Financial income	$4,938	$4,654	$1,545
Net income (loss)	($4,856,838)	($318,676)	$19,080,045
Net income (loss) per common share (basic and diluted)	($0.13)	($0.02)	$3.78
Total assets	$5,960,637	$620,011	$302,390
Total liabilities	$1,944,808	$151,568	$515,271

Additional Disclosure for Venture Issuers without Significant Revenue (all figures for 2020 relate to the Oza-1 Oil Field and all figures for 2019 and 2108 relate to the Ban Phuc Property in Vietnam)

	2020	2019	2018
Expensed exploration costs	$Nil	$850	($37,645)
Holt property option	$100,000	$100,000	-
Risk Service Agreement	$5,678,471	$Nil	$Nil

Accounting for the Purchase of Decklar Petroleum Limited

On July 16, 2020, the Company purchased all the issued and outstanding shares of DPL, for consideration comprised of: i) 14 million common shares to the shareholders of DPL (the “Issued Shares”); ii) 8 million shares to DPL third-party debt holders; and iii) 8 million contingent shares (the “Contingent Shares”) to be issued based on certain production levels being attained at the Oza Oil Field.

The fair value of the risk services agreement acquired was estimated based on the fair value less cost of disposal (“FVLCD”) methodology, calculated using the present value of the expected future cash flows discounted at 20% - 23% derived from proven and probable reserves and USD $0.70 - $0.75 per boe as the implied value/boe on 2C contingent reserves. The expected cash flows used in the FVLCD calculation were derived from a report of the OZA Oil Field oil and gas reserves prepared by an independent qualified reserve evaluator as of July 16, 2020.

The share consideration was measured in accordance with IFRS 2 Share-based Payments and based on the fair value of net assets acquired with a corresponding increase to share capital for Issued Shares and Contingent Shares.

The value of the DPL assets and liabilities at the July 16, 2020 acquisition date were:

Cash	$	45
Risk Service Agreement		7,499,498
Accounts payable		(7,963)
Loans payable		(386,126)
	$	7,105,454

The fair value of DPL assets and liabilities has been allocated to the issued and contingent common shares related to this transaction on the following basis:

Issued Shares	$	5,404,194
Contingent Shares		1,601,229
Transaction costs		100,031
	$	7,105,454

Millenium RSA – Oza Oil Field

		Total
Acquired July 16, 2020		7,499,498
Additions during the year		1,846,062
Impairment		(3,346,978)
Foreign exchange		(320,111)
	$	5,678,471

Under the RSA, expenditures at the Oza Oil Field include tangible plant and equipment, along with pre-operating costs. The tangible plant and equipment acquired at the Oza Oil Field primarily consist of existing production facilities and related infrastructure. Additions during 2020 include purchases of equipment to repair and upgrade existing facilities and costs to assess, redesign, and plan updates to existing equipment and facilities. Pre-operating cost additions since acquisition include expenditures incurred in preparation for operations at the Oza Oil Field such as payments required under the RSA, license and permit fees, consulting, professional and related costs to evaluate potential resource opportunities, and professional fees incurred to complete the RSA and other agreements. Pre-operating costs also include logistical costs and expenditures for civil works directly related to early preparation of the Oza-1 wellsite for the re-entry of the Oza-1 well. Additional costs have been incurred for licenses and consulting fees to review and assess other oil and gas opportunities in Nigeria

Results of Operations for the Year Ended December 31, 2020 and 2019

For the years ended December 31, 2020 and 2019, Decklar incurred net loss of $4,856,838 or $0.13 per share and net loss of $318,676 or $0.02 per share, respectively. Following the DPL acquisition on July 16, 2020, the operating expenses include consulting, business development and foreign exchange losses at the subsidiary in Nigeria.

The detailed operating results for the years ended December 31, 2020 and 2019 follow:

	2020	2019
General administrative expenses		
Consulting	$ (211,215)	$ (83,817)
Professional and regulatory	(120,966)	(71,632)
Office and administrative	(302,299)	-
Business development	(27,907)	(49,874)
Share-based compensation	(632,357)	-
Exploration recovery (expense)	-	(850)
Due diligence and other costs	-	(112,430)
Impairment of resource asset	(3,346,978)	-
Finance income	4,938	4,654
Finance expenses	(2,926)	(4,727)
Foreign exchange expense	(217,128)	-
Loss for the year	(4,856,838)	(318,676)
Other comprehensive loss – foreign exchange on translation	(253,556)	-
Comprehensive loss for the year	$ (5,110,394)	$ (318,676)

General and administrative expenses

- Consulting costs of $211,215 in 2020 (2019: $83,817) reflect payment to employees at the Company and DPL, as well as advisory fees incurred in finalizing the acquisition of DPL.
- Professional and regulatory fees in 2020 increased to $120,966 from $71,632 in 2019, given higher legal fees incurred due to increased corporate activities, and fees associated with submissions for Depository Trust and Clearing Corporation eligibility.
- Office and administrative expenses increased to $302,299 in 2020 from $49,874 in the previous year. The higher 2020 balance is primarily related to services retained from a number of investor relations firms to heighten market and brand awareness and broaden the Company's profile in the investment community.
- Business development expenses incurred during 2020 totalled $27,907 (2019: $Nil) and represent costs associated with meetings to negotiate agreements and to seek potential funding for the Company's current and potential future oil and gas assets.
- Share-based compensation of $632,357 (2019: $Nil) reflect the vested share options issued during the year to directors, employees and consultants of the Company and its subsidiary DPL.

Due diligence and other costs

During 2019 due diligence costs of $112,430 related to the DPL acquisition were expensed. Similar due diligence costs incurred during 2020 were capitalized to the Oza Oil field assets, as part of the share purchase calculation.

Impairment of resource asset

In late 2020, the Company identified indicators of impairment in relation to its CGU based on a decline in forward commodity prices and accordingly performed an impairment test at December 31, 2020. It was determined by management estimates the recoverable amount of the CGU was $3,346,978 lower than the December 31, 2020 carrying amount. This was based on 20% - 23% after-tax cash flows derived from the Oza Oilfield CGU's proven plus probable reserves and USD $0.70 - $0.75 per boe as the implied value on 2C contingent reserves. The reserve values were obtained from an externally prepared December 31, 2020 reserve report and distributable cash flows to the Company as set out in the RSA.

Finance expense

Finance expenses of $2,926 (2019: $4,727) primarily represent interest on the Island Time promissory note whose principal balance outstanding reduced by $50,000 during 2020, resulting in lower interest expense year over year.

Foreign exchange expense

Foreign exchange expense of $217,128 in 2020 (2019: $Nil) is the accumulated total of actual exchange rate differences for amounts converted from USD to Nigerian Naira and CAD to USD during the year.

Other comprehensive loss in the amount of $253,556, represents foreign exchange related to the translation of the Company's subsidiary DPL, whose functional currency is USD.

Liquidity and Capital Resources

In 2020, warrant holders exercised 10,200,003 warrants for 10,200,003 common shares of the Company. The exercise price of each warrant was $0.10 resulting in funding to the Company of $1,020,000.

In March 2021, the company completed a private placement raising $4,722,400 on the issue of 16,865,714 common shares at $0.28 per share. Of this approximately $3.5 million will be utilized in the development of Oza-1 oil well in Nigeria, with the remainder available for general and administrative expenditures.

On April 13, 2021, Decklar announced a a non-brokered financing to raise gross proceeds of up to $15,000,000 by way of a unit offering (the "Offering") at a price of $1.00 per unit (a "Unit"), with each Unit consisting of one common share of Decklar (a "Common Share") and one-half common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of $1.50 per Common Share for a period of 12 months from the closing date of the Offering. Decklar has engaged Echelon Wealth Partners Inc. as strategic financial advisor in connection with the Offering. Funds raised by this planned Offering will be used to pursue new oil and gas development opportunities in Nigeria and for general corporate purposes.

On December 31, 2020, the Company had cash on hand and cash equivalents of $123,236 (2019: $493,045) and had a working capital deficit of $1,762,642, (2019: working capital surplus of $368,443). Additional financing will be required to further develop the oil wells in Nigeria. The Company is currently finalizing development funding. The ability to raise capital is not guaranteed and may not be realized when needed or, if available, the terms of such financing might not be favourable to the Company.

The Company had the following contractual obligations at December 31, 2020:

	Payment due by period		
	Total	**Less than 1 year**	**1 – 3 years**
Promissory note - Island Time	$ 59,852	$ 59,852	-
Other short-term loans	245,677	245,677	-
Refundable deposit	985,866	985,866	-
Due to related parties (1)	206,148	206,148	-
Total	$ 1,497,543	$ 1,497,543	-

(1) Represents consulting fees payable to directors and officers of the Company and its subsidiary.

The promissory note to Island Time bears interest at 5% per annum. In April 2021 the Company issued 175,000 common shares to extinguish the remaining balance of this note payable.

Other short-term loans are comprised of advances made directly to DPL and payments made on behalf of DPL by an Advisor to fund day-to-day and early field operations during the start-up and early stages of DPL's operations. The loans do not bear interest and due on demand. It is expected that the loans will be repaid by June 2022.

On September 3, 2020, DPL received a deposit of $985,866 as part of the San Leon Subscription Agreement. The deposit is repayable should a number of conditions in the Subscription Agreement not be attained, including the need to complete additional specific financing by April 30, 2021. Interest is payable on the deposit at a rate of 10% per annum in the event the deposit is repaid to San Leon.

Summary of Quarterly Results

	Dec 31, 2020	Sept 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019
Sale revenues	-	-	-	-	-	-	-	-
Finance income	$1,465	$377	$642	$2,454	$2,464	$1,689	$194	$307
General & administrative (expenses) recovery	($506,348)	($516,780)	($223,536)	($48,080)	($57,835)	($70,954)	($48,493)	($28,041)
Impairment of resource asset	($3,346,978)	-	-	-	-	-	-	-
Exploration (expense)	-	-	-	-	-	-	-	($850)
Decklar transaction and due diligence costs	-	-	-	-	($112,358)	$27	$(99)	-
Finance expense	($1,490)	-	($723)	($712)	($829)	($1,330)	($1,299)	($1,269)
Foreign Exchange	($29,781)	($186,894)	($453)	-	-	-	-	-
Net Income (Loss)	($3,883,132)	($453,297)	($224,070)	($296,339)	($168,559)	($70,568)	($49,696)	($29,853)
Income (Loss) per share (non-diluted)	($0.07)	($0.01)	($0.01)	($0.01)	($0.00)	($0.01)	($0.01)	($0.00)
Income (Loss) per share (diluted)	($0.07)	($0.01)	($0.01)	($0.01)	($0.00)	($0.01)	($0.01)	($0.00)
Total Assets	$5,960,637	$9,269,366	$1,145,597	$587,498	$620,011	$733,169	$219,102	$265,152

Results of Operations for the Quarter Ended December 31, 2020 and 2019

For the three month periods ended December 31, 2020 and 2019, the Company incurred net losses of $3,883,132 or $0.07 (fully diluted $0.07) per share and $168,558 or $0.01 (fully diluted $0.01) per share, respectively. This loss includes a $3,346,978 impairment taken on the Company’s resource assets.

The detailed operating results for the three-month periods ended December 31, 2020 and 2019 follow:

	2020	2019
General and administrative expenses		
Consulting fees	$ (75,751)	$ (21,650)
Legal, audit and regulatory	(43,881)	(33,495)
Office and administration	(192,032)	(2,688)
Business Development	(27,906)	-
Share-based compensation	(166,778)	-
Impairment of resource asset	(3,346,978)	-
Interest income	1,465	2,464
Foreign exchange expense	(29,781)	-
Interest expenses	(1,490)	(829)
DPL due diligence	-	(112,360)
Loss for the period	$ (3,883,132)	$ (168,558)

General and administrative expenses

- Consulting fees increased in the fourth quarter of 2020 from the same period in 2019 to $75,751 from $21,650 representing the addition of consulting fees for the Nigerian subsidiary.

- Legal, audit and regulatory fees were higher by $10,386 in the 2020 fourth quarter to $43,881 (2019: $33,495) reflecting the increased corporate activity in the most recent year.

- Office and administration rose to $192,032 in the final quarter of 2020, from $2,688 during the same 2019 period, as the Company commenced a significant investor relations program late in the year, with the goal to heighten market and brand awareness and broaden the Company's reach with the investment community.

- Business development expenses incurred during the 2020 fourth quarter totalled $27,906 (2019: $Nil) and represent costs associated with meetings to negotiate and to seek funding for the Company's current and potential future oil and gas assets.

- Share-based compensation was recorded in the fourth quarter of 2020 in the amount of $166,778. There was no share-based compensation recorded in the same 2019 quarter.

During the 2020 fourth quarter, the Company identified indicators of impairment in relation to its CGU based on a decline in forward commodity prices and performed an impairment test at December 31, 2020. It was determined by management estimate based on value-in-use factors, that a $3,346,978 impairment should be recorded. This was based on 20% - 23% after-tax cash flows derived from the Oza Oilfield CGU's proven plus probable reserves and USD $0.70 - $0.75 per boe as the implied value on 2C contingent reserves. The reserve values were obtained from an externally prepared December 31, 2020 reserve report and distributable cash flows to the Company as set out in the RSA.

Foreign exchange expense of $29,781 in Q4 2020 (2019: nil) is the accumulated total of actual exchange rate differences for amounts converted from United States Dollars (USD) to Nigerian Naira and Canadian Dollars (CAD) to USD during the period.

Critical Judgements in Applying Accounting Policies

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

(a) Business combinations:

Management uses judgment when determining whether a transaction constitutes a business combination or an asset acquisition based on the criteria in IFRS 3, "Business Combinations".

(b) Cash-generating units:

The Company's assets are aggregated into a single cash-generating unit ("CGU") for the purpose of calculating impairment. CGUs are based on an assessment of a unit's ability to generate independent cash inflows. The determination of the Company's CGU was based on management's judgment in regard to shared infrastructure, geographical proximity, exposure to market risk and materiality. Management has determined that the Company has two CGUs.

(c) Impairment indicators for resource property:

Management uses several criteria in its assessment of impairment indicators for its resource property including geological, geophysical, and engineering information together with reports, presentations and financial information pertaining to the contractual and fiscal terms applicable to the Company's assets, independent reserve reports, conclusions and recommendations in technical reports, license and permit status, and assessment of exploration and development plans.

(d) Impairment indicators for mineral property:

Management uses several criteria in its assessment of impairment indicators for mineral property including geologic and metallurgic information, conclusions and recommendations in technical reports, existing permits, and intentions to continue with exploration or to abandon.

(e) Going concern:

The assessment of the Company's ability to continue as a going concern (see note 1 to the Company's Consolidated Financial Statements dated December 31, 2020 and 2019) involves judgment regarding its future funding. Judgments must also be made regarding events or conditions, which might give rise to significant uncertainty.

Key Sources of Estimation Uncertainty

The following are key estimates and their assumptions made by management affecting the measurement of balances and transactions in these financial statements.

(a) Mineral and oil reserve estimates

The Company estimates its oil reserves and mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43-101 *Standards for Disclosure of Mineral Projects*. Reserves are used when performing impairment assessments on the Company's resource property, for forecasting the timing of payment of reclamation and rehabilitation costs, and in determining the depletion of resource properties.

There are numerous uncertainties inherent in estimating reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs, or recovery rates may change the economic status of reserves and may, ultimately, result in changes to reserve estimates. Any adjustments are accounted for prospectively.

To estimate and evaluate oil and gas reserves, the Company employs independent reserves evaluators who periodically assess the Company's level of proved, probable and contingent reserves by reference to data sets including geological, geophysical and engineering data together with reports, presentations and financial information pertaining to the contractual and fiscal terms applicable to the Company's assets.

Proved, probable and contingent reserves are estimated annually by independent reserve engineers and represent the estimated quantities of crude oil, natural gas and natural gas liquids, which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

(b) Recoverability of resource properties

The recoverability of the RSA asset carrying value is assessed at the CGU level. Determination of what constitutes a CGU is subject to management judgments. The asset composition of a CGU can directly impact the recoverability of the assets included therein. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

i. Reserves – Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

ii. Crude oil prices – Forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.

iii. Discount rate – The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

iv. Distributable cash flows as set out in the RSA – The future distributable cash flows are based on the Company's current contractual obligations and management's best estimate of future contractual arrangements anticipated to be entered into under the RSA. Changes in these arrangements could result in a significant change in the amount and timing of future cash flows.

(c) Impairment of mineral properties:

The Company considers both external and internal sources of information in assessing whether there are any indications that mineral properties are impaired. External sources of information the Company considers include changes in the market, economic, and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mineral properties. Internal sources include the manner in which mineral properties are being used or are expected to be used, and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's mineral properties the Company's management makes estimates of the discounted future after-tax cash flows expected to be derived from its mineral properties using an appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future non-expansionary capital expenditures, reductions to the amount of recoverable reserves, resources and exploration potential, and/or adverse current economics can result in a write down of the carrying amounts of the Company's mineral properties, plant, and equipment.

(d) Share-based payments:

The Company includes an estimate of forfeitures, share price volatility, expected life of awards, and risk-free interest rates in the calculation of the expense related to certain long-term employee incentive plans. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact the share-based payments reserve.

Transactions with Related Parties

Directors

The Company recognized no directors' fees in the years ended December 31, 2020 or 2019. Share options were granted to the Company's directors during the 2020 third quarter.

Key management

Consulting fees paid and accrued to key management persons during the year ended December 31, 2020 totalled $273,523 (2019: $83,817). Share options were issued to key management persons resulting in share compensation expense of $226,169 (2019: $Nil).

Risk Factors

Given the nature of its business, any operations of the Company are subject to a number of risks, including the following, any one or all of which could have a material adverse effect on the Company and its business:

Additional funding requirements

The Company received $1,020,000 in proceeds from the exercise of warrants during 2020 and $4,722,400 was received on the issue of common shares of the Company in March 2021. These funds will be used to fund DPL's development of Oza-1 well and for the Company's general and administrative expenses. On April 13, 2021 the Company announced a a non-brokered financing to raise gross proceeds of up to $15,000,000 by way of a unit offering at a price of $1.00 per Unit, with each Unit consisting of one common share of Decklar and one-half common share purchase warrant. Each whole Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of $1.50 per Common Share for a period of 12 months from the closing date of the Offering. Decklar has engaged Echelon Wealth Partners Inc. as strategic financial advisor in connection with the Offering. Funds raised by this planned Offering will be used to pursue new oil and gas development opportunities in Nigeria and for general corporate purposes.

Additional financing will be required to fully develop its strategic oil assets in Nigeria. The Company is finalizing development funding for Decklar's Oza Oil Field (as described above under 2020 Annual Highlights). There can be no assurance that the Company will be able to complete this or other required funding strategies. Failure to obtain sufficient financing could result in the Company proceeding into reorganization, bankruptcy, or insolvency.

Sales of substantial amounts of the Company's common shares, or the availability of such common shares for sale, could adversely affect the prevailing market prices for the Company's securities. A decline in the market prices of the Company's securities could impair its ability to raise additional capital through the issuance of common shares should the Company desire to do so.

Decklar may incur substantial costs in pursuing options for future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as general downturns in the capital markets, and/or the loss of key management personnel.

Potential conflicts of interest for certain directors and officers

Certain directors and officers of Decklar are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies, including activities involving mining and mineral exploration. As a result of these and other activities, such directors and officers of Decklar may become subject to conflicts of interest. The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Market for Decklar's securities

There can be no assurance that an active market for Decklar's securities will continually exist. In addition, the market price of the securities of Decklar at any given point in time may not accurately reflect the long-term value of Decklar. Furthermore, the need for response to any events or circumstances resulting from the risk factors described herein could result in substantial costs and divert management’s attention and resources.

Resource industry

The exploration for and development of mineral deposits and oil reserves involves significant risks that cannot be completely eliminated. While the discovery of a mineral deposit or oil resources may result in substantial rewards, some properties that are explored may not ultimately be developed into commercially successful operations. Substantial expenses may be incurred to locate and establish mineral or oil and gas reserves, to develop operational processes, and to construct facilities at a particular site. It is impossible to ensure that the activities currently planned by the Company will result in profitable commercial mining or oil production operations. Whether a mineral deposit or oil and gas reserve will be commercially viable depends on many factors including, but not limited to: the particular attributes of the deposit, such as size, grade, and proximity to infrastructure; metal and oil prices, which are cyclical and somewhat unpredictable; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals; and changes to environmental regulations. The effects of these factors cannot always be accurately predicted, but in combination they could result in the Company not receiving an adequate return on invested capital.

The Company’s activities are subject to all the hazards and risks normally encountered in the exploration for, and development and production of minerals and oil, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Counterparty risk

Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. Decklar endeavours to manage this risk by working closely with its co-venturers on operational matters. Although DPL is not the operator of the Oza Oil Field, its responsibilities as risk service provider permit it to be actively consulted on operations. A contractual default by its co-venturers, owners of export pipelines, or the future purchasers of oil from the Oza Oil Field could have a material impact on the Company's cash flows.

Competition in the mineral and oil industries

The resource business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical, and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The Company’s ability to acquire properties in the future will depend not only on its ability to develop the projects, but also in its ability to select and acquire other suitable producing properties or prospects for mineral exploration or development. There can be no assurance that the Company will be able to compete successfully with others in acquiring such properties or prospects.

Insurance and uninsured risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to its mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses, and possible legal liability.

Government regulation in the mineral and oil industries

The Company's exploration, development and operating activities are subject to various laws governing prospecting, mining, oil and gas, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local residents, and other matters. Although the Company's planned activities will be carried out in accordance with all applicable rules and regulations, there can be no assurance that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail such planned activities with materially adverse impacts on financial performance and profitability.

The mineral and oil rights and interests of the Company are subject to obtaining government approvals, licences and permits, land clearance being completed, and land use rights being obtained. Such approvals, licences and permits, and the completion of land clearance and obtaining of land use rights are, as a practical matter, subject to the discretion of the government or governmental officials. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licences, and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned activities.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Application of or amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures, or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mineral properties.

Personnel

The Company is dependent on obtaining and retaining the services of professional management and skilled personnel. Failure to obtain such services or the loss of them could have a material adverse effect on the Company's operations. There can be no assurance that the required personnel will be available on suitable terms.

Enforceability of civil liabilities

Certain of the Company's directors and officers reside outside Canada. Substantially all the assets of such persons are, and substantially all the assets of the Company are, located outside Canada. It may not be possible for investors to effect service of process within Canada upon such persons, and it may also not be possible to enforce against the Company and/or such person's judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Litigation risk

All industries, including the resource industry, are subject to legal claims, with and without merit. The Company may be involved from time to time in various routine legal proceedings, which include labour matters such as unfair termination claims, supplier matters, and property issues incidental to its business. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Conversely, the Company may be put in a position where it must pursue legal remedies, the disposition of which are also uncertain. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material effect on financial position and results of operations.

The market price for common shares cannot be assured

The market price of publicly traded shares is affected by many variables, some of which are not directly related to the performance of the Company. Securities markets often experience high levels of price and volume volatility, and the market price of securities of many companies, particularly those considered to be junior companies, may experience wide fluctuations that are not necessarily related to operating performance, underlying asset values, or prospects of such companies. There can be no assurance that such fluctuations will not affect the price or liquidity of Decklar's securities in the future.

COVID-19

In March 2020, the World Health Organization declared a pandemic related to the continuing worldwide spread of the Coronavirus (COVID-19). To limit the spread of COVID-19, governments have taken various actions including the issuance of stay-at-home orders and social distancing guidelines, causing some businesses to suspend operations and a reduction in demand for many products. Such actions have resulted in a swift and unprecedented reduction in international and U.S. economic activity which, in turn, has adversely affected the demand for oil and gas and caused significant volatility and disruption of the financial markets.

Financial Instruments

At December 31, 2020, the Company's financial instruments consist of cash and cash equivalents,, trade payables and accrued liabilities, refundable deposit, and short-term loans.

The fair values of these financial instruments are not materially different from their carrying values.

In respect of credit risk on its bank accounts and investments, credit risk on bank accounts and short-term investments is limited through maintaining the Company's balances with established and secure financial institutions.

To help to manage liquidity risk, the Company has in place a planning and budgeting process to aid in determining the funds required to support normal operating requirements on an ongoing basis, including capital development and exploration expenditures. Discussions about the Company's ongoing ability to operate as a going concern are included in Note 1, Nature of operations and going concern, in the condensed consolidated interim financial statements.

Disclosure Controls

In connection with Exemption Orders issued in November 2007, and revised in December 2008, by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed consolidated interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument (NI) 52-109 *Certification of disclosure in an Issuer's Annual and Interim Filings*, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

Additional Information

Additional information relating to the Company, including the December 31, 2020 NI 51-101 reports for the Oza Oil Field and the NI 43-101 Technical Report on the Holt Property dated February 11, 2019, are available on SEDAR at www.sedar.com.

Share Capital

As at April 27, 2021 the Company had 71,750,487 common shares outstanding, share purchase options outstanding to purchase an aggregate of 5,400,000 common shares expiring between April 5, 2022 and September 4, 2025 exercisable at various prices between $0.28 and $20.00 per share, and 3,133,330 share purchase warrants expiring in September 2021 and exercisable at $0.10. As part of the July 17, 2020 acquisition of Decklar, 8,000,000 common shares are issuable only if the Oza Oil Field reaches production net to Millenium of 1,000 bopd for a period of ten consecutive days in any thirty day period within twelve months of the date of closing of the agreement. As such on a fully diluted basis, the Company has 88,283,817 common shares outstanding.