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MD&A | Q2 2015

MBS | TSX-V

MOBIUS RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

THREE AND SIX MONTHS ENDED JUNE 30, 2015

(Refer to "Subsequent Events" below for a description of the Sintana Business Combination, as defined in this document)

DISCUSSION DATED: AUGUST 28, 2015

An Oil & Gas Exploration Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and Six Months Ended June 30, 2015
(Expressed In Canadian Dollars, Unless Otherwise Stated)

The following is Management's Discussion and Analysis ("MD&A") of the performance, financial condition and future prospects of Mobius Resources Inc. ("Mobius" or "the Company"), is prepared effective August 28, 2015 and should be read in conjunction with the unaudited interim consolidated financial statements of the Company for the three and six months ended June 30, 2015, including the notes thereon, as well as with the Company's audited consolidated financial statements for the fifteen months ended December 31, 2014 and related MD&A. With its head office based in Calgary, Alberta, Canada, Mobius is primarily engaged in the exploration for, and development of, oil and gas interests in Alberta. Common shares of the Company are listed on the TSX-Venture Exchange under the symbol "SEI".

The financial information in this MD&A is derived from the Company's unaudited interim consolidated financial statements for the three and six month period ended June 30, 2015. All amounts are expressed in thousands of Canadian dollars unless otherwise indicated and prepared in accordance with United States of America generally accepted accounting principles ("US GAAP").

Further information about the Company and its operations is available on our website **www.mobiusreources.com** or on SEDAR at **www.sedar.com**

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HIGHLIGHTS

During the second quarter of our 2015 fiscal year, Mobius:

- Entered into a definitive agreement providing for a reverse takeover of the Company by Sintana Energy Inc. ("Sintana"). Sintana is engaged in the acquisition, exploration and development of oil and gas properties in Colombia's Magdalena Basin; and,

- Ended the quarter with a cash balance of $3,826 and a working capital balance of $4,109.

OUTLOOK

On May 13, 2015, Mobius announced that it had entered into a definitive agreement dated as of May 13, 2015 (the "Master Agreement") providing for a reverse takeover of the Company (the "Business Combination") by Sintana. Sintana is engaged in the acquisition, exploration and development of oil and gas properties in Colombia's Magdalena Basin.

On July 27, 2015, at their respective annual shareholder meetings, the shareholders of each of Mobius and Sintana approved the Business Combination and the Business Combination was completed on August 6, 2015.

The Business Combination was structured in the form of a three-cornered amalgamation to be effected by way of a plan of arrangement, pursuant to which Sintana amalgamated with a wholly-owned subsidiary of Mobius, and all of the issued and outstanding Sintana Shares were exchanged for 0.26316 Mobius Shares for each Sintana Share so held (the "Exchange Ratio"). Also in connection with the Business Combination, (i) each outstanding share purchase warrant of Sintana (each, a "Sintana Warrant") became exercisable to acquire Mobius Shares in lieu of Sintana Shares; and (ii) each stock option of Sintana was exchanged for an equivalent stock option of Mobius (each a "Replacement Option"), in each case subject to adjustment in number and exercise price to give effect to the Exchange Ratio. Each stock option of Mobius outstanding immediately prior to the effective date of the Business Combination, whether or not vested, became vested and shall remain outstanding until the earlier of: (A) the original expiration date thereof; and (B) the date that is the later of: (I) December 31, 2016, and (II) the latest date provided for pursuant to the Mobius stock option plan.

Substantial additional information regarding the details of the proposed Business Combination was included in the management information circular to be prepared in connection with the Business Combination.

Mobius received shareholder approval to change its name to "Sintana Energy Inc." and changed its name to such upon the closing of the Business Combination.

SUMMARY OF OPERATIONS ALBERTA

During the year ended 2014, Mobius commenced its Duvernay drilling program with the spudding of the Mobius "Guy" well located at 10-11-72-22W5M in Alberta. The well was successfully drilled through the Duvernay formation and into the top of the Beaverhill Lake formation to a total depth of 2,780 meters. The well was also successfully cored from the bottom of the Ireton formation, through the entire Duvernay and Majeau Lake package and into the top of the Beaverhill Lake formation. The Company acquired conventional open hole logs and Litho Scanner, Combined Magnetic Resonance (CMR) and Dielectric Scanner (ADT) logs over the Duvernay and Majeau Lake package. The well was suspended in a state that should enable the Company to drill a horizontal section if desired or to perform additional evaluation work on the Duvernay formation.

While the results largely confirmed the Company's geological interpretation and are viewed positively from a technical perspective, given the relatively short remaining tenure on the Alberta lands, depressed oil and gas commodity prices and the challenging financing environment for junior oil and gas companies, it is felt that there is material uncertainty with respect to the development of the Alberta lands. As a result, $6,593 was recorded in the full cost pool and immediately depleted.

DISCONTINUED OPERATIONS

During the fifteen months ended December 31, 2014, the Company decided to discontinue its operations in the United States. The Company's final disposition related to its United States operations closed on December 31, 3014. As at December 31, 2014, the Company had no remaining assets related to the Discontinued Operations.

SELECTED QUARTERLY FINANCIAL HIGHLIGHTS

At June 30, 2015, the Company has not yet achieved profitable operations, has accumulated a deficit of $121,502 (December 31, 2014 - $113,328) since inception and expects to incur further losses in the development of its business, which is typical of an oil and gas exploration company in the stages of development. As at June 30, 2015, the Company's cash and cash equivalents balance was $3,826 (December 31, 2014 - $6,477).

To date, the Company has no oil and gas revenues and is considered to be in the development stage as defined by the Financial Accounting Standards Board ("FASB") Accounting Standard's Codification ("ASC") 915.

SELECTED QUARTERLY FINANCIAL INFORMATION

	June 30, 2015 $	March 31, 2015 $	December 31, 2014 $	September 30, 2014 $	June 30, 2014 $	March 31, 2014 $	December 31, 2013 $	September 30, 2013 $
Revenue from continuing operations	**79**	63	**109**	27	23	38	32	72
Revenue from discontinued operations						3,272		
Revenue	**79**	63	**109**	27	23	3,310	32	72
Net income (loss) from continuing operations	**(7,507)**	(667)	**(3,085)**	(1,310)	(3,139)	(889)	(1,437)	(1,706)
Net income (loss) from discontinued operations			**(182)**	(3,070)	(31,530)	(3,063)	(21,226)	758
Net income (loss)	**(7,507)**	(667)	**(3,267)**	(4,380)	(34,669)	2,174	(22,663)	(948)
Earnings (loss) per share from continuing operations*	**(0.26)**	(0.02)	**(0.11)**	(0.05)	(0.11)	(0.10)	(0.05)	(0.07)
Earnings (loss) per share from discontinued operations*			**(0.01)**	(0.11)	(1.09)	0.18	(0.74)	0.03
Earnings (loss) per share*	**(0.26)**	(0.02)	**(0.24)**	(0.15)	(1.20)	0.08	(0.79)	(0.04)

Interest and other income was generated from subleased office space and interest received on cash held in high interest savings accounts held with Canadian financial institutions. For the three and six months ended June 30, 2015, interest and other income was $79 and $142, compared to $23 and $60 for the three and six months ended June 30, 2014. The higher income for the period in the current period compared to the previous period relates to income recognized for subleased office space in the current quarter which was partially offset by lower interest income related to the reduced cash balance.

General and administrative expenses ("G&A") during the three and six months ended June 30, 2015 were $904 and $1,776, compared to $686 and $1,470 during the three and six months ended June 30, 2014, including severance costs. The overall increase in G&A during the three month period ended June 30, 2015 compared to the three month period ended June 30, 2014 was attributable to an increase in legal expenses and was partly offset by a decrease in personnel over the three month period ended June 30, 2014. The overall increase in G&A during the six month period ended June 30, 2015 compared to the six month period ended June 30, 2014 was attributable to an increase in severance costs paid and was partly offset by a decrease in personnel over the six month period ended June 30, 2014. G&A expenses are comprised mainly of personnel costs, consulting services, professional fees, travel expenditures and office expenses.

Foreign exchange (loss)/gain during the three and six months ended June 30, 2015 was ($31) and $141 as compared to ($1) and $2 for the prior year periods. The loss for the three months ended June 30, 2015 was due to a decreased average USD exchange rate during the quarter, compared to the previous quarter. The gain for the six months ended June 30, 2015 relates to the increase in the USD exchange rate over the period from December 31, 2014, increasing the value of the balances in the Company's USD accounts. The Company had a significantly larger average U.S. dollar holdings in the three and six month periods ended June 30, 2015 than over the prior year period as a result of the disposition of the Company's remaining California assets in a transaction closed December 31, 2014.

Stock based compensation during the three and six months ended June 30, 2015 was $26 and $54 (three and six months ended June 30, 2014 - $45 and $164). The decreased level of expenditure over the same three and six month period in the prior year is primarily due to the high level of stock based compensation expense in the prior year period related to the grant of stock options to employees following the Muskwa Acquisition.

CAPITAL EXPENDITURES

A summary of the Company's Property, Plant and Equipment additions to date are summarized below:

		June 30, 2015		Dec 31, 2014
Beginning balance	**$**	**6,509**	**$**	**56,636**
Land and lease rentals additions/(disposals)		**6**		**785**
Geology and seismic additions/(disposals)		**78**		**430**
Drilling and completions additions/(disposals)		**27**		**2,430**
Oil and gas properties acquired on the acquisition of Muskwa Resources		**-**		**6,961**
Asset retirement obligation additions		**-**		**595**
Other fixed assets additions/(disposals)		**(25)**		**11**
Depletion	**$**	**(6,593)**	**$**	**(61,306)**
Depreciation and accretion		**(2)**		**(33)**
Total	**$**	**-**	**$**	**6,509**

During the fifteen months ended December 31, 2014, the Company commenced drilling operations on it Alberta land. During the six months ended June 30, 2015, the Company continued a special core study and studying advanced logging techniques on the well primarily to assess the prospectively of the Duvernay formation.

During the three months ended June 30, 2015, management and the Board of Directors reviewed the carrying value of the Company's assets. Given the relatively short remaining tenure on the Alberta lands, depressed oil and gas commodity prices and the challenging financing environment for junior oil and gas companies, it was felt that there was material uncertainty with respect to the development of the Alberta lands. The cost associated with the Alberta lands and all remaining property, plant and equipment of the Company were transferred to the full cost pool and since reserves have not and will not be assigned to these assets, the costs were subject to immediate depletion.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company's liquid assets are comprised of cash and cash equivalents and accounts receivable from joint venture billings with industry partners. Cash and cash equivalents are maintained on demand with the Company's banker and represent minimal liquidity risk to the Company. In view of the current economic climate, Mobius has made an assessment of accounts receivable and reports that 25% of trade receivables outstanding at June 30, 2015 have been received and the balance is expected within existing payment terms. The Company believes that minimal exposure exists with these particular accounts and sufficient security exists to recover amounts due to the Company in the event of default.

Capital Resources

The Company exited the quarter with positive working capital of $4,109 (including cash and cash equivalents of $3,826) compared to $5,780 at December 31, 2014 (including cash and cash equivalents of $6,477). The change in working capital was primarily the result of ongoing general and administrative costs. Mobius' revenue is incidental to its operations and is comprised of revenue from the sublease of office space and interest earned on high interest savings accounts held with Canadian financial institutions. Mobius had no outstanding bank debt or other interest-bearing indebtedness as at June 30, 2015 or June 30, 2014.

During the three and six months ended June 30, 2015 and up to the date of this MD&A, the Board of Directors of the Company approved the issuance of Nil options to officers, directors, employees and consultants, with the exception of the assumption of certain options related to the Business Combination with Sintana.

The Company holds an operating lease agreement for office space in Calgary, Alberta commencing on November 1, 2013 and ending on October 31, 2016. The annual average basic rent obligation is $132, payable in monthly installments of $11. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes.

The Company holds a second operating lease agreement for office space in Calgary, Alberta commencing on March 1, 2012 and ending on February 28, 2017. The annual average basic rent obligation is $110, payable in monthly installments of $9. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. As of August 1, 2013, a portion of the space was subleased to a third party reducing the annual average basic rent obligation to $28, payable in monthly installments of $2 for the remaining term. As of September 1, 2014, the remaining portion of the space was subleased to a third party, reducing the annual average basic rent obligation to $13, payable in monthly installments of $1.

The Company holds an operating lease agreement for office space in Bakersfield, California commencing July 1, 2012 and ending on June 30, 2017. The annual average basic rent obligation is US$77 per annum, payable in average monthly installments of US$6. In addition to the basic rent, additional rent is payable monthly, and includes the Company's proportionate share of all operating costs and taxes. Effective March 1, 2014, the Company entered into an agreement to sublet the office space for approximately $4 per month

for the first year, increasing to $5 per month after the first year and $6 after the second year. The Company has accrued a provision of $35 on the balance sheet for this commitment. $20 is current in nature and is reflected in accrued liabilities on the Company's balance sheet as at June 30, 2015. $15 is long term in nature and makes up the entirety of long term lease obligation on the Company's balance sheet as at June 30, 2015.

TRANSACTIONS WITH RELATED PARTIES

Legal Fees

During the three and six months ended June 30, 2015, legal fees of $296 and $363 were charged by a law firm in which the corporate secretary of the Company is a partner of, and were expensed as general and administrative expenses (three and six months ended June 30, 2014 - $95 and $95). On March 5, 2014, the former corporate secretary resigned from his position. The former corporate secretary is a partner in a law firm, which during the three and six months ended June 30, 2014 has billed the Company $nil and $21 for services.

As at June 30, 2015 the Company owed $112 (June 30, 2014 - $95) to the current law firm, and $nil (June 30, 2014 - $nil) to the prior firm.

Sublease Recovery

The Company also subleased office space to a related party starting December 1, 2013. This enabled an offset in their rent expenses by $3 and $6 for the three and six months ended June 30, 2015.

As at June 30, 2015 the Company was owed $1 (June 30, 2014 - $nil) for sublease recovery.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon the unaudited interim consolidated financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, related disclosure of contingent assets and liabilities and oil and gas properties. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis.

We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. Below, we have provided expanded discussion of our more significant accounting policies, estimates and judgments for our financial statements. We believe these accounting policies reflect the more significant estimates and assumptions used in preparation of the financial statements.

The Company views the following estimates as critical:

Income Tax

Income taxes are accounted for using the liability method of income tax allocation. Under the liability method, future income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at their carrying values. Future income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the substantively enacted tax laws and rates that are anticipated to apply in the period of realization. The Company has not recognized the deferred tax asset.

Oil and Gas Properties

The Company follows the full cost method of accounting whereby all costs related to the acquisition are initially capitalized. Costs capitalized include land acquisition costs, geological and geophysical expenditures, lease rentals on undeveloped properties, costs of drilling productive and non-productive wells, together with overhead and interest directly related to exploration and development activities, and lease and well equipment.

Costs capitalized are to be depleted and amortized on a cost-centre basis using the unit-of-production method based on estimated proved petroleum and natural gas reserves before royalties as determined by independent engineers. In determining its depletion base, the Company includes estimated future capital costs to be incurred in developing proved reserves and excludes the cost of significant unproved properties until it is determined whether proved reserves are attributable to the unproved properties or impairment has occurred. Unproved properties are evaluated separately for impairment based on management's assessment of future drilling and exploration activities. The Company's decision to withhold costs from amortization and the timing of the transfer of those costs into the depreciating asset base involve significant judgment and may be subject to changes over time based on several factors, including drilling plans, availability of capital, project economics and results of drilling on adjacent acreage. During the period there has been nil production.

During the six months ended June 30, 2015, management and the Board of Directors reviewed the carrying value of the Company's assets. Given the relatively short remaining tenure on the Alberta lands, depressed oil and gas commodity prices and the challenging financing environment for junior oil and gas companies, it was felt that there was material uncertainty with respect to the development of the Alberta lands. The cost associated with the Alberta lands and all remaining property, plant and equipment of the Company were transferred to the full cost pool and since reserves have not and will not be assigned to these assets, the costs were subject to immediate depletion.

Costs capitalized are periodically assessed for impairment after considering geological data and other information. A loss is recognized at the time of impairment by providing an impairment allowance.

As at June 30, 2015, the Company had oil and gas properties with a net book value of $nil (December 31, 2014 - $6,491) included in Property, Plant and Equipment on the balance sheet.

Future Development and Abandonment Costs

The Company recognizes the fair value of an asset retirement obligation ("ARO") in the period in which a well or related asset is drilled, constructed or acquired and when a reasonable estimate of the fair value can be made. The fair value of the estimated ARO is recorded as a long-term liability, and equals the present value of estimated future cash flows, discounted using a risk-free interest rate adjusted for the Company's credit standing. The liability accretes until the date of expected settlement of the retirement obligations or the asset is sold and is recorded as an accretion expense. Asset retirement costs are capitalized as part of the carrying value of the related assets. The capitalized amount is amortized to earnings on a basis consistent with depreciation and depletion of the underlying assets. Actual restoration expenditures are charged to the accumulated obligation as incurred. Any settlements are charged to income in the period of settlement. Holding all other factors constant, if our estimate of future abandonment and development costs is revised upward, earnings would decrease due to higher depletion, depreciation & accretion expense. Conversely, should these estimates be revised downwards, earnings would increase.

The Company develops estimates of these costs on a location-by-location basis, and as these costs typically extend many years into the future, estimating these future costs is difficult and requires management to make judgments that are subject to future revisions based upon numerous factors, including changing technology and the political and regulatory environment. We review our assumptions and estimates of future development and future abandonment costs on an annual basis.

Revenue Recognition

Revenue from the sale of petroleum and natural gas is recorded on a gross basis when title passes to an external party, and is recognized based on volumes delivered to customers at contractual delivery points, and when the significant risks and rewards of ownership have been transferred to the buyer and collect-ability is reasonably assured.

As at June 30, 2015, the Company has not recognized revenue from the sale of petroleum and natural gas as commercial production has not yet occurred, other than incidental production from testing that is net against capital costs.

Stock Based Compensation

The Company records compensation expense in the consolidated financial statements for stock options granted to employees, consultants and directors using the fair-value method. Fair-values are determined using the Black-Scholes option pricing model, which is sensitive to the estimate of stock price volatility and the options' expected life. No stock based awards were issued during the six month periods ended June 30, 2014 or June 30, 2015.

Financial Instruments

a) Fair value measurement

ASC Topic 820.10 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820.10 applies whenever other statements require or permit assets or liabilities to be measured at fair value. The Company's financial assets and liabilities are measured at fair value on a recurring basis. The Company discloses its recognized non-financial assets and liabilities, such as asset retirement obligations and other property, plant and equipment at fair value on a non-recurring basis. For non-financial assets and liabilities, the Company is required to disclose information that enables users of its financial statements to assess the inputs used to develop said measurements. The Company recognized impairments in its California non-financial assets during the three months ended December 31, 2013, the three months ended June 30, 2014, the three months ended September 30, 2014, and the fifteen months ended December 31, 2014, in its Montana non- financial assets during the three months ended June 30, 2014 and September 30, 2014 and the fifteen months ended December 31, 2014, in its Nova Scotia non-financial assets during the year ended September 30, 2011, three months ended June 30, 2014 and fifteen months ended December 31, 2014 and in its Alberta non-financial assets during the fifteen months ended December 31, 2014 and the three months ended June 30, 2015.

ASC 820.10 requires that assets and liabilities carried at fair value be classified and disclosed based on the following hierarchy for fair value measurements:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3:** Unobservable inputs, where there is little or no market activity for the asset or liability. These inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability, based on the best information available.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The fair value of the investment is determined by the best available information including regard for market conditions and other factors that a market participant would consider for such investments.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from joint venture partners.

The majority of the Company's receivables are from its industry partners, where the receivables have not been collateralized. To date, the Company has not experienced any bad debts and maintains no allowance for doubtful accounts. The Company's cash and cash equivalents are held by two financial institutions.

In connection with the execution of the Master Agreement with Sintana, the Company loaned $1,000 to Sintana during the quarter. The principal and accrued interest were outstanding at the end of the quarter and made up the majority of the Company's receivables

The carrying amount of trade accounts receivable, cash and cash equivalents represent the Company's maximum credit exposure.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. All financial liabilities are due in the upcoming year.

RECENT ACCOUNTING PRONOUNCEMENTS

Discontinued operations and disposals

In April, 2014, the FASB issued ASU No. 2014-08 Topics 205 and 360: Discontinued Operations and Disposals. The amendments change the criteria for reporting discontinued operations and add new disclosure requirements for discontinued operations and individually significant components of an entity that are disposed of or classified as held for sale but do not meet the definition of discontinued operation. Effective for public business entities and certain not-for-profit entities for new disposals and new classifications of assets held for sale in years beginning on/after December 15, 2014, and interim periods within those years. Effective for all other entities, including most private companies, for years beginning on/after December 15, 2014, and interim periods within years beginning on/after December 15, 2015. The Company has adopted ASU 2014-08 Topics 205 and 360.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligation under a variable interest equity arrangement.

OUTSTANDING SHARE DATA

Authorized capital:

Unlimited number of common shares with voting rights. Unlimited number of preferred shares, issuable in series.

Issued and outstanding as of the date of this MD&A:

- 116,866,714 common shares.
- 0 preferred shares.

On May 1, 2014, the Company completed a share consolidation of the Company's issued and outstanding common shares on the basis of one (1) new common share for fifteen (15) common shares issued and outstanding. As required under US GAAP, all common shares,

options, warrants and loss (income) per share amounts have been restated to give retrospective effect to the share consolidation.

Warrants outstanding as of the date of this MD&A:

- 3,720,017 with exercise prices of $0.34 to $9.00 and expiries ranging from October 22, 2015 to February 5, 2016.

Options outstanding as of the date of this MD&A:

- 7,336,624 stock options with exercise prices of $0.145 to $15.60 and expiries ranging from February 15, 2016 to December 21, 2019.

BUSINESS RISKS AND UNCERTAINTIES

The Company is subject to various risks and uncertainties, including, but not limited to, those listed below:

Oil and Gas Exploration and Development

The oil and gas industry is extremely competitive in all aspects including the acquisition of oil and gas interests, the marketing of oil and natural gas, and acquiring or gaining access to necessary drilling equipment, services and supplies. Mobius competes with numerous other companies in the search for and acquisition of prospective oil and gas plays.

Mobius is subject to all risks and hazards inherent in the business involved in the exploration for, and the acquisition, development, production and marketing of oil and natural gas. Many of these inherent risks cannot be compensated for, even with the combination of experience, knowledge and careful planning of a competent technical team.   The risks and hazards typically associated with oil and gas operations include equipment failure, fire, explosion, blowouts, sour gas releases, pipeline ruptures and oil spills, each of which could result in substantial damage to oil and gas wells, production facilities, other property, the environment or personal injury.

In addition, inherent risks include the lack of certain sub-surface geological and geophysical and reservoir parameters, the presence of which are often times required and consistent with a sub-surface accumulation of hydrocarbon substances.

Hydraulic Fracturing

The proliferation of the use of hydraulic fracturing as a recovery technique employed in oil and natural gas drilling has given rise to increased public scrutiny of its environmental aspects, particularly with respect to its potential impact on local aquifers.   The Company and its partners intend to utilize hydraulic fracturing in connection with the completion operations for the wells it plans to drill on the acreage of the Company. Negative public perception of hydraulic fracturing has placed pressure on governments in the jurisdictions where the Company operates to examine additional regulatory requirements or limitations on the utilization of hydraulic fracturing. Such measures, if implemented, could materially restrict the Company's operations and substantially increase its exploration and development costs and would be expected to have a material adverse effect on Mobius' business, prospects and results of operations.

Capital Requirements

To finance future operations, Mobius may require financing from external sources including, but not limited to, issuance of common or preferred shares, issuance of debt or implementation of working interest farm-out agreements. There can be no assurance that such financing will be offered on acceptable terms, or that it will be available at all to the Company.   If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of Mobius may be diluted. If unable to secure financing on acceptable terms, Mobius may have to cancel or postpone certain of its planned exploration and development activities, which may ultimately lead to Mobius' inability to fulfill the minimum work obligations under various farm-in agreements, and potentially to the forfeiture of existing land holdings. Availability of capital will also directly impact the Company's ability to take advantage of additional farm- in and acquisition opportunities.

Operations

Mobius' largest land position relates to the oil and gas projects located in the Snipe Lake are of Alberta, which is currently its primary focus. Uncertainties include, but are not limited to: a change in the general regulatory environment; a change in environmental protection policies; or a change in taxation policies. In addition, the Company leases land from various lessors on a fixed term basis, there is no guarantee that the Company will be able to renew such leases when they become due for renewal. These uncertainties, all of which are beyond the Company's control, could have a material adverse effect on Mobius' business, prospects and results of operations. Mobius will require licenses or permits from various governmental authorities to carry out future exploration, development and production activities.

There can be no assurance that Mobius will be able to obtain all necessary licenses and permits when required.

Uncertainty of Title

Although Mobius conducts a thorough title review prior to acquiring additional acreage in its areas of interest, such reviews do not guarantee that an unforeseen defect in the chain of title will not arise that may call into question Mobius' interest in its land holdings. Any uncertainty with respect to one or more of Mobius' leasehold interests could have a material adverse effect on the Company's business, prospects and results of operations.

Operational Uncertainties

In carrying out its planned exploration program, Mobius is subject to various risks including, but not limited to: the availability of equipment, manpower and supplies; the effects of weather on drilling and production; and operating in a safe and environmentally responsible fashion.

The Company attempts to mitigate these business risks by: working with qualified operators and/or operating the majority of properties to control the amount and timing of capital expenditures; restricting operations to areas where locations are accessible, operating and capital costs are reasonable and on- stream times are shorter; drilling wells in areas with multiple, high-deliverability zone potential; striving to maintain cost-effective operations; relying on third-party competence and experience; using current technology to maximize production and recoveries, and reduce operating costs and environmental impacts; and maintaining memberships in appropriate industry organizations.

Dependence on Management

The Company strongly depends on the technical and business expertise of its management team and there is little possibility that this dependence will decrease in the near term. The directors of the Company are taxed with ensuring that the management team has the required skills and expertise, and will from time-to-time make changes in the management team to better align it with the Company's goals and objectives. An unplanned, unexpected loss of any member of the management team may have a material adverse impact on the operations of the Company.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted 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 unaudited interim financial statements and the audited annual consolidated financial statements, and accompanying consolidated MD&A.

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, as there are inherent limitations on the ability of certifying officers of a venture issuer to design and implement the above-mentioned controls on a cost-effective basis.

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FORWARD-LOOKING STATEMENTS

Certain information contained herein may constitute forward-looking statements or forward-looking information (collectively, "forward-looking statements") under applicable securities laws, including management's belief that the Company's acreage position contains a major accumulation of light oil and that the prospectivity and potential for such lands; the Company's expectations regarding the future use of its capital resources and the allocation thereof; and, the potential source and nature of the future funding requirements of the Company. Forward-looking statements look into the future, and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements are based on the estimates and opinions of the Company's management at the time the statements were made. Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward- looking statements will materialize. Such risks include, but are not limited to; operational risks in exploration, development and production; delays or changes in plans; competition for and/or inability to retain drilling rigs and other services; competition for, among other things, capital, existence or acquisitions of reserves and resources, undeveloped lands, skilled, competent personnel and supplies; governmental regulation of the oil and gas industry, including environmental regulation; geological, technical, drilling and processing problems and other difficulties in finding, developing and producing resources and reserves and the additional risks set forth under the heading "Risk Factors" in the Company's annual information form for the year ending September 30, 2013 dated November 27, 2013 and available under the Company's SEDAR profile at www.sedar.com.

The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates change except as may be required by applicable securities laws.

The material assumptions that were applied in making the forward-looking statements in this MD&A include: execution of the Company's existing plans for each of its projects, which may change due to changes in the views of the Company, or if new information arises, which makes it prudent to change such plans; and execution of the Company's plans to seek out additional opportunities in the natural resource sector, which are dependent in part on global economic conditions and upon the prices of commodities and natural resources; and, that management has made the correct interpretation and assessment of the seismic and other exploration data in respect of its acreage position and that assuming such correct interpretation has been made, that anticipated resources will be able to be commercially developed.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities Commissions in certain Provinces of Canada and the Securities and Exchange Commission.

Additional information about Mobius and its business activities is available on SEDAR at http://www.sedar.com and at http://www.mobiusresources.com.

DATE: This MD&A is dated August 28, 2015.