CLEARVIEW RESOURCES LTD

Clearview Resources Ltd.

Management Discussion and Analysis (MD&A)

September 30, 2023

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The management discussion and analysis ("MD&A") is a review of the financial position and results of operations of the Company for the three and nine months ended September 30, 2023 and 2022. The MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three and nine months ended September 30, 2023 and 2022 and the audited financial statements and accompanying notes for the years ended December 31, 2022 and 2021. The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Unless otherwise noted, all dollar amounts in the tables are expressed in thousands of Canadian dollars ($000's), except per unit amounts. The MD&A has been prepared and approved by the Board of Directors as of November 20, 2023.

Refer to page 22 for information about Non-IFRS Measures, page 25 for information on forward-looking statements and page 26 for measures, conversions and acronyms used in the MD&A.

OVERVIEW OF THE COMPANY

Clearview Resources Ltd. (the "Company") is a privately owned, growth-oriented oil and natural gas producing company based in Calgary, Alberta with production and development primarily focused in the Greater Pembina area of west central Alberta. The Company is a reporting issuer with additional information about the Company available on the Canadian Securities Administrators' System for Electronic Distribution and Retrieval ("SEDAR+") at www.sedarplus.ca and on the Company's website at www.clearviewres.com.

The Company's oil and natural gas properties are listed below:

Region - Alberta	Property	Primary production	P+P Reserves[1]	Average WI	Operatorship[2]
Greater Pembina	Northville	Liquids rich natural gas	5,585	87%	Yes
	Pembina	Liquids rich natural gas	1,155	80%	Yes
	Wilson Creek	Light oil and liquids rich natural gas	3,804	60%	Yes
	Windfall	Light oil	5,447	100.0%	Yes
	Niton	Light oil	1,318	96%	Yes
	Garrington	Light oil and liquids rich natural gas	1,501	94%	Yes
	Caribou	Light oil	417	70.0%	Yes
	Miscellaneous	Various	73	Various	Mixed
Total			19,300		

[1] mboe of total proved plus probable reserves at December 31, 2022 as determined by the Company's independent reserves evaluator, McDaniel & Associates Consultants Ltd. less non-core dispositions in the three months ended March 31, 2023.
[2] operatorship of a majority of the property

The Company's objectives are:

- acquire long life, cash generating oil and natural gas properties with growth potential;
- maintain a low cost and financially robust operating structure;
- reduce to and then maintain the Company's debt level at a minimal level;
- build the Company's production base to fund the field capital program from internally generated funds;
- maintain a current licensee liability rating of 2.0 or greater; and
- continue to pursue non-core asset dispositions.

SELECTED ANNUAL INFORMATION

	Nine months ended		Years ended		
	Sept. 30 2023	Sept. 30 2022	Dec. 31 2022	Dec. 31 2021	Dec. 31 2020
Oil and natural gas sales	17,893	32,604	41,176	30,364	16,133
Adjusted funds flow (1)	3,516	7,638	9,681	5,573	2,487
Per share – basic (1)	0.30	0.65	0.83	0.48	0.21
Per share – diluted (1)	0.30	0.60	0.83	0.44	0.21
Cash provided by operating activities	2,177	6,865	8,530	6,130	1,783
Per share – basic	0.19	0.59	0.73	0.53	0.15
Per share - diluted	0.19	0.54	0.73	0.48	0.15
Net earnings (loss)	(2,525)	3,858	(2,549)	5,212	(10,842)
Per share – basic	(0.22)	0.33	(0.22)	0.45	(0.93)
Per share – diluted	(0.22)	0.31	(0.22)	0.42	(0.93)
Total assets	52,181	64,351	55,978	73,277	70,498
Total long term liabilities	15,474	18,929	18,736	25,863	27,581
Net debt (surplus) (1)	1,814	3,944	539	10,193	13,235
Net capital expenditures (1)	2,691	990	3,494	2,108	376

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

In the first nine months of 2023, oil and natural gas sales decreased by $14.7 million, versus the comparative period of 2022, to $17.9 million as a result of lower realized sales prices for all of the Company’s production and lower production volumes. The decrease in revenue of $14.7 million was partially offset by a decrease in royalties of $3.6 million, decreased operating costs of $2.1 million and a $5.0 million reduction in realized losses on commodity contracts as compared to the same period of 2022. As a result, adjusted funds flow decreased to $3.5 million ($0.30 per basic share) in the first nine months of 2023. Cash flow provided by operating activities decreased to $2.2 million in the first nine months ended September 30, 2023. The net loss for the nine months ended September 30, 2023 was $2.5 million ($0.22 per basic share) versus net earnings of $3.9 million ($0.33 per basic share) in the comparative period of 2022. The Company had net debt on September 30, 2023 of $1.8 million. The net debt of $1.8 million consists of a working capital deficit of $0.6 million and convertible debentures of $1.2 million.

For the year ended December 31, 2022, the Company’s oil and natural gas sales increased to $41.2 million due to higher realized sales prices for all its production offset by a 7% decrease in production, year over year, as a result of normal production declines. Adjusted funds flow was $9.7 million while cash provided by operating activities was $8.5 million for the year ended December 31, 2022. The net loss for 2022 was $2.5 million compared to net earnings in the prior year of $5.2 million. The loss in 2022 was primarily due to an impairment expense associated with the reclassification, to assets held for sale, of a non-operated, minor working interest property in the Central Alberta Oil CGU to its fair value less costs to sell of $1.5 million. The Company recorded a loss on the reclassification of $6.5 million. Long term liabilities decreased in the year ended December 31, 2022 due to decommissioning operations undertaken to abandon 24 gross (5.3 net) wells, the reduction of decommissioning liabilities associated with the disposition and reclassification of property, plant and equipment and a higher discount rate positively affecting the discounting of decommissioning obligations. The Company had no bank debt outstanding on December 31, 2022 as adjusted funds flow in excess of capital expenditures and proceeds on dispositions in 2022 were used for repayment. Net debt of $0.5 million consists of a working capital surplus of $0.7 million and convertible debentures of $1.2 million.

For the year ended December 31, 2021, the Company’s oil and natural gas sales increased to $30.4 million due to higher realized sales prices for all its production while production remained very steady year over year with a 3% increase. Adjusted funds flow was $5.6 million while cash provided by operating activities was $6.1 million for the year ended December 31, 2021. Long term liabilities decreased in the year ended December 31, 2021 due to decommissioning operations undertaken during 2021 to abandon 29 gross (13.2 net) wells and a higher discount rate positively affecting the discounting of decommissioning obligations. Net debt was reduced over the twelve months ended December 31, 2021 as adjusted funds flow in excess of net capital expenditures was applied against bank debt. Net earnings for 2021 were $5.2 million compared to a net loss in the prior year of $10.8 million. The increase in 2021 was primarily due to much higher revenues resulting from higher commodity prices and an impairment reversal of $8.3 million in the fourth quarter of 2021.

DISCUSSION OF OPERATIONS

Capital expenditures

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Land	-	-	-	-	3	(100)
Drilling, completions and equipping	3,913	-	100	3,920	-	100
Reactivations, optimizations and equipping	(16)	580	(103)	356	1,885	(81)
Facilities	237	101	135	510	437	17
Other	(8)	(24)	(67)	-	15	(100)
Capital expenditures (1)	4,126	657	528	4,786	2,340	105
Disposition of properties	-	-	-	(2,095)	(1,350)	55
Net capital expenditures (1)	4,126	657	528	2,691	990	172

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

The Company spent approximately $4.8 million on capital expenditures in the nine months ended September 30, 2023. The capital expenditures incurred were primarily for the drilling of a light oil Cardium well in the Wilson Creek area in the third quarter of 2023. The Company realized $2.1 million in proceeds on the disposition of two non-operated, non-core assets during the nine month period ended September 30, 2023.

Production

Production is summarized in the following table:

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Oil – bbl/d	315	437	(28)	356	440	(19)
Natural gas liquids – bbl/d	392	509	(23)	382	494	(23)
Total liquids – bbl/d	707	946	(25)	738	934	(21)
Natural gas – mcf/d	5,354	6,360	(16)	5,258	6,615	(21)
Total – boe/d	1,599	2,006	(20)	1,614	2,036	(21)

Production decreased 20% to 1,599 barrels of oil equivalent per day (“boe/d”) for the three months ended September 30, 2023, compared to the same period of 2022 at 2,006 boe/d. The decrease of 20% is due to natural declines, the disposition of non-operated properties at the end of 2022 and in the first quarter of 2023 and production downtime due to wildfires. The impact of the wildfires was prolonged due to required third-party midstream facilities being down longer than the Company’s producing areas. These decreases in production were partially offset by the new well being brought on-stream very late in the third quarter of 2023.

For the nine months ended September 30, 2023, total production was down 21%. Oil production was down 19%, versus the comparative period, due to declines, the dispositions in the first quarter of 2023, which were primarily oil producing wells and the impact of the wildfires. Natural gas and natural gas liquids production decreased 21% and 23%, respectively, for the nine months ended September 30, 2023 versus the comparative period of 2022. The decrease was due to the dispositions at the end of 2022, normal declines and the prolonged impact of the wildfires during the second quarter of 2023.

Clearview's production portfolio for the nine months ended September 30, 2023 was weighted 22% to oil, 24% to natural gas liquids and 54% to natural gas. For the nine months ended September 30, 2022 the production mix was weighted 22% to oil, 24% to natural gas liquids and 54% to natural gas.

Benchmark prices and economic parameters

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Oil – West Texas Intermediate ("WTI") (US $/bbl)	82.18	91.64	(10)	77.38	98.14	(21)
Oil – Edmonton Par ($/bbl)	107.37	116.89	(8)	100.55	123.64	(19)
Differential – Light oil ($/bbl) (1)	(2.92)	(2.66)	10	(3.56)	(2.20)	62
NGLs - Pentane ($/bbl)	106.74	115.34	(7)	102.29	123.24	(17)
NGLs – Butane ($/bbl)	43.86	51.66	(15)	44.74	63.95	(30)
NGLs – Propane ($/bbl)	29.24	49.79	(41)	30.05	53.75	(44)
Natural gas – AECO ($/mcf)	2.60	4.16	(38)	2.76	5.38	(49)
Exchange rate – US$/Cdn$	0.75	0.77	(3)	0.74	0.78	(5)

(1) The light oil differential is calculated as WTI in Canadian dollars minus the Edmonton Par price.

The refiners' posted prices for Canadian crude oils are influenced by the WTI reference price, transportation capacity and costs, US$/Cdn$ exchange rates and the supply/demand situation of particular crude oil quality streams during the period. Benchmark oil prices in the three months ended September 30, 2023 decreased 10% from an average of US $91.64 per barrel in 2022 to US $82.18 per barrel in 2023. This decrease in WTI was a result of global economies slowing on concerns of a recession due to higher interest rates which has weighed on oil prices. Canadian oil prices decreased by 8% in the three months ended September 30, 2023, compared to the same quarter in 2022, as the light oil differential increased by 10% over the same comparative quarter and was offset by the decrease in the US$/Cdn$ exchange rate of 3% on top of the decrease in WTI. For the nine months ended September 30, 2023, Canadian oil prices decreased by 19% versus the comparative period of 2022, consistent with the decrease in WTI of 21%.

Pentane prices decreased over the three and nine months ended September 30, 2023 in a very similar manner to WTI pricing and Canadian light oil prices, with a decrease of 7% and 17%, respectively, versus the comparative periods of 2022.

Butane prices decreased over the three and nine months ended September 30, 2023, with a decrease of 15% and 30%, respectively, versus the comparative periods of 2022. The decrease in butane prices over 2023 versus the same period in 2022 is due to the decline in WTI prices and reduced demand due to the slowing North American economy.

Propane prices averaged $29.24 per barrel for the three months ended September 30, 2023, a decrease of 41%, compared to the same period of 2022. Propane prices were much higher in 2022 due to significantly higher US exports into the Asian petrochemical market. The warm winter experienced by most of North America has also led to weaker propane prices in the first nine months of 2023.

AECO natural gas prices averaged $2.60 per million cubic feet ("mcf") for the three months ended September 30, 2023, a decrease of 38% as compared to the same quarter of 2022. AECO pricing continued to decrease through the first nine months of 2023 due to increased US production, the past winter being very warm in most consuming regions of North America and expectations of a warm winter ahead due to an El Nino warming trend.

Realized sales prices

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Oil – $/bbl	106.09	109.12	(3)	97.22	117.00	(17)
NGLs – $/bbl	41.21	56.45	(27)	42.88	61.62	(30)
Natural gas – $/mcf	2.47	4.44	(44)	2.77	5.68	(51)
Total – $/boe	39.26	52.15	(25)	40.60	58.65	(31)

Realized prices primarily vary from the benchmark prices due to quality differences, including differences for density and sulphur content. The differential can vary considerably from quarter to quarter. During the three and nine months ended September 30, 2023, the Company's realized oil price was lower by 3% and 17%, respectively, than the comparative periods of 2022 as a result of a 8% and 19% decrease, respectively, in Edmonton Par benchmark pricing.

Natural gas liquids prices were lower by 27% in the third quarter of 2023, versus the comparative period of 2022. This decrease was primarily due to lower prices received for all the Company's propane, butane and pentane production as a result of the decrease in WTI and AECO for ethane.

The Company's realized price for natural gas was lower by 44% for the three months ended September 30, 2023. This compares to a 38% decrease in the benchmark AECO price over the same period. For the nine months ended September 30, 2023, the Company's realized price for natural gas decreased consistent with the drop in AECO. For the majority of the Company's natural gas production, the Company receives AECO plus a slightly positive adjustment for heating content from natural gas liquids left in the natural gas stream.

On a boe basis, the Company's realized price was 31% lower for the nine months ended September 30, 2023, versus the comparative period, due to the lower prices received for all its production.

Revenues

Oil and natural gas sales

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Oil	3,073	4,382	(30)	9,440	14,030	(33)
Natural gas liquids	1,484	2,646	(44)	4,474	8,318	(46)
Total liquids	4,557	7,028	(35)	13,914	22,348	(38)
Natural gas	1,217	2,596	(53)	3,979	10,256	(61)
Total sales	5,774	9,624	(40)	17,893	32,604	(45)
Per boe	39.26	52.15	(25)	40.60	58.65	(31)

Crude oil sales decreased 33% in the nine months ended September 30, 2023 as a decrease of 17% in realized oil prices was compounded by lower production volumes of 19%, compared to the same period of 2022.

Natural gas liquids revenues were lower by 46% in the nine months ended September 30, 2023 as production decreases of 23% were compounded by lower realized natural gas liquids prices of 30%.

Natural gas revenue decreased 61% in the nine months ended September 30, 2023 as lower production volumes of 21% were sold for a 51% lower realized natural gas price than in the comparative period of 2022.

The 45% decrease in oil and natural gas sales for the nine months ended September 30, 2023 is due to a lower average price received per boe of 31% and 21% lower production than the comparative period of 2022.

Revenues from the sale of oil, natural gas and natural gas liquids are normally collected on the 25th day of the month following production. Clearview receives over 96% of its monthly production revenue from its customers on this day throughout the year. The remaining 4% is collected within 30 days after the 25th day and represents joint operations, whereby the operator sells the production on Clearview's behalf and subsequently pays Clearview for its working interest share of the revenues.

Processing income

Clearview has a working interest in natural gas processing and compression facilities at its Garrington, Wilson Creek and Northville properties. The Company earns revenue from processing fees on third party production volumes utilizing these facilities, a fee for service arrangement.

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Processing income	101	147	(31)	180	396	(55)
Per boe	0.69	0.80	(14)	0.41	0.71	(42)

Processing income decreased to $0.2 million for the nine months ended September 30, 2023, a 55% decrease from the comparative period ended September 30, 2022. Processing income decreased primarily due to the disposition of the Carstairs Elkton Unit and East Crossfield properties in 2022.

Risk management activities

Clearview enters into financial and physical commodity contracts as part of its risk management program to manage commodity price fluctuations, thereby protecting a portion of the revenues received from the sale of its production to its customers.

With respect to financial contracts, which are derivative financial instruments, management has elected not to use hedge accounting. Rather, the Company records the fair value of its natural gas and crude oil financial contracts on the statement of financial position at each reporting period with the change in the fair value being classified as an unrealized gain or loss in earnings.

The Company had the following physical and financial commodity price contracts outstanding.

Commencement Date	Expiry Date	Units	Volume	Underlying Commodity	Fixed Price
September 1, 2023	December 31, 2023	Bbls/d	100	WTI Cdn $ - Financial	$108.30
November 1, 2023	March 31, 2024	Bbls/d	150	Edmonton Par - Financial	$109.20
April 1, 2023	October 31, 2023	GJ/d	2,000	AECO 5A – Physical	$2.13
November 1, 2023	December 31, 2023	GJ/d	2,000	AECO 7A – Financial	$2.68-3.00
January 1, 2024	March 31, 2024	GJ/d	1,000	AECO 5A – Physical	$2.90

Management monitors the forward price market for oil and natural gas, on an ongoing basis, and may contract additional production volumes as attractive pricing opportunities become available or if production increases from development or acquisitions.

Royalties

	Three months ended			Nine months ended		
Amount	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Crown – oil	337	708	(52)	1,088	2,161	(50)
Crown – natural gas liquids	461	719	(36)	1,335	2,345	(43)
Crown – natural gas	73	267	(73)	298	1,001	(70)
Gas cost allowance	(372)	(378)	(2)	(1,075)	(1,305)	(18)
Total Crown	499	1,316	(62)	1,646	4,202	(61)
Freehold	35	277	(87)	99	836	(88)
Gross over-riding	154	224	(31)	420	758	(45)
Total royalties	688	1,817	(62)	2,165	5,796	(63)
Per boe	4.68	9.85	(52)	4.91	10.43	(53)

The Company pays royalties to the provincial government ("Crown"), freeholders and gross over-riding royalty holders, which may be individuals or companies, and other oil and gas companies that own surface or mineral rights. Crown royalties are calculated on a sliding scale based on commodity prices and individual well production rates. Royalty rates can change due to commodity price fluctuations and changes in production volumes on a well-by-well basis, subject to a minimum and maximum rate restriction prescribed by the Crown. The provincial government has also enacted various royalty incentive programs that are available for wells that meet certain criteria which can result in fluctuations in royalty rates. Freehold and gross overriding royalties are generally at a fixed rate. A majority of the Company's production is on Crown lands.

The Company reviews its entitlement to gas cost allowance at each reporting period. The timeframe for the royalty regulatory process, the complexity of the calculation and the uncertainty (particularly for non-operated properties from which the Company takes its revenue in kind) as to whether the Company will actually be eligible to receive the allowance are factors considered in determining the estimate and the amount to record for that period.

	Three months ended			Nine months ended		
Royalty rate	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Total Crown	8.6%	13.6%	(37)	9.2%	12.9%	(29)
Freehold	0.6%	2.9%	(79)	0.6%	2.6%	(77)
Gross over-riding	2.6%	2.3%	13	2.4%	2.3%	4
Total royalties	11.8%	18.8%	(37)	12.2%	17.8%	(31)

The overall royalty burden for the three months ended September 30, 2023 decreased by 37% to a rate of 11.8% versus 18.8% for the comparative period. Crown royalty rates were lower by 37% and 29%, respectively, for the three and nine month periods ended September 30 of 2023 versus 2022, primarily due to much lower prices received for all the Company's production. Freehold royalties decreased as well due to lower realized prices, the disposition of properties in the fourth quarter of 2022 and first quarter of 2023, which were primarily on freehold lands and the adjustment for an over-accrual of freehold mineral taxes related to 2022.

Transportation expenses

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Transportation costs	268	313	(14)	929	927	-
Per boe	1.82	1.70	7	2.11	1.67	26

Transportation expenses include trucking costs for delivery of the Company's oil production and third-party pipeline tariffs to deliver natural gas production to the purchasers at the main market hubs.

During the first nine months of 2023, the Company had 70% of its natural gas volumes under firm service transportation contracts with NGTL and operators of midstream facilities that process the Company's natural gas production.

Transportation expense per boe for the nine months ended September 30, 2023 increased 26% versus the comparative period of 2022, due to higher per unit charges for trucking and a 21% decrease in production.

Operating expenses

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Operating costs	2,941	3,842	(23)	9,059	11,137	(19)
Per boe	20.00	20.81	(4)	20.56	20.03	3

The Company continues to focus on reducing production costs given the volatility of oil and natural gas prices. However, components of operating an oil and natural gas property are essentially fixed, (e.g. property taxes, lease rentals and insurance), resulting in higher operating costs per boe when production declines.

Operating costs per boe for the three months ended September 30, 2023 were $20.00 per boe, lower by 4% than the comparative quarter of the prior year, at $20.81 per boe. This decrease reflects a 23% decrease in absolute operating costs compounded by a 20% decrease in average production per day. Operating costs per boe for the nine months ended September 30, 2023 were $20.56 per boe, higher by 3% than the comparative period of the prior year, at $20.03 per boe. This increase reflects a 19% decrease in absolute operating costs compounded by a 21% decrease in average production per day. The decrease in absolute operating costs is partially a reflection of the non-core property dispositions undertaken in the fourth quarter of 2022 and the first quarter of 2023. This reduction was partially offset by upward price pressure on field services from increased demand and general inflation related to fuel and power costs, chemicals, lubricants and other consumables used in continuing operations.

General and administrative expenses

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Gross costs	711	729	(2)	2,299	2,216	4
Overhead recoveries	(100)	(62)	61	(214)	(188)	14
Total G&A expenses	611	667	(8)	2,085	2,028	3
Per boe	4.15	3.61	15	4.73	3.65	30

General and administrative costs, net of recoveries, increased 3% in the nine months ended September 30, 2023 versus the comparative period of 2022. The increase in costs is primarily due to increased personnel costs, increased professional fees and higher consultant costs. The higher costs were compounded by lower production volumes for the period resulting in a 30% increase in general and administrative expenses per boe for the nine months ended September 30, 2023 versus the comparative period in 2022.

Stock based compensation

Stock based compensation is the amortization over the vesting period of the fair value of stock options. The Company has granted options to acquire voting common shares to directors, officers and employees to provide an incentive and retention component of the compensation plan. The Board of Directors of the Company set the terms of the options at the time of grant. The fair value of all options granted is estimated at the time of the grant using the Black-Scholes option pricing model.

The first round of options granted in 2016 will expire 7 years from the date of grant and vest one third immediately and one third on each of the first and second anniversaries. Subsequent grants also expire 7 years from the grant date but vest one third on each of the first, second and third anniversaries.

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Stock based compensation	64	44	45	177	157	13
Per boe	0.44	0.24	83	0.40	0.28	43

Stock based compensation expense for the three months ended September 30, 2023, was higher by 45% versus the comparative period of 2022. The increase in expense is primarily due to the reversal of stock based compensation expense related to unvested options which were forfeited in the comparative period of 2022.

Depletion and depreciation

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Depletion	1,627	1,717	(5)	4,895	5,242	(7)
Depreciation	1	1	-	2	3	(33)
Total	1,628	1,718	(5)	4,897	5,245	(7)
Per boe – depletion	11.06	9.30	19	11.10	9.41	18
Per boe - depreciation	0.01	0.01	-	-	0.01	(100)
Total	11.07	9.31	19	11.10	9.42	18

The Company calculates depletion on property, plant and equipment using the unit-of-production method based on proved plus probable reserves. Depreciation is calculated based on the useful lives of office equipment and furniture.

The depletion for the three months ended September 30, 2023, decreased 5% versus the comparative quarter of 2022, primarily due to lower production volumes of 20%, offset by a 19% increase in the depletion rate per boe. The depletion rate per boe increase of 19% is primarily due to the reduction of proved plus probable reserves at December 31, 2022.

The depletion for the nine months ended September 30, 2023, decreased 7% versus the comparative period of 2022, primarily due to lower production volumes of 21%, offset by an 18% increase in the depletion rate per boe.

Finance costs

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Interest - bank debt	21	67	(69)	56	321	(83)
Interest - convertible debentures	32	31	3	95	95	-
Interest income	(24)	-	100	(58)	-	100
Credit facility fees and costs	157	4	3,825	165	64	158
Cash finance costs (1)	186	102	82	258	480	(46)
Accretion expense	228	191	19	508	590	(14)
Total finance costs	414	293	41	766	1,070	(28)
Per boe – cash finance costs (1)	1.26	0.56	125	0.59	0.87	(32)
Per boe – accretion expense	1.55	1.03	50	1.15	1.06	8

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See "Non-IFRS Measures" contained within this MD&A.

Cash finance costs include interest on bank debt, lender fees and interest on convertible debentures.

Interest on bank debt in the nine months ended September 30, 2023 decreased by 83% versus the comparative period of 2022. The decrease was due to lower outstanding bank debt being eliminated by adjusted funds flow in excess of capital expenditures in 2022.

Credit facility fees and costs increased by 158% in the nine months ended September 30, 2023 versus the comparative period of 2022. The increase was primarily a result of an advisory fee of $0.1 million paid to the Company's lender.

Interest income was earned on the investment of excess cash into 30 day term deposits and interest earned on a loan to the purchaser of the Bantry property at prime plus 4%, beginning April 1, 2023. The purchaser has been making all required principal and interest payments on a timely basis.

The interest rates applicable to drawings under the lending agreement are based on a pricing margin grid and can change quarterly as a result of the ratio of all outstanding indebtedness to annualized quarterly funds flows as calculated in accordance with the agreement governing the facility ("Debt to Funds Flow"). Annualized quarterly funds flow is defined as earnings before depletion and depreciation, stock based compensation, accretion of decommissioning obligations and debenture discounts, unrealized gains or losses on commodity contracts, gains or losses on dispositions, non-cash other costs (income) and deferred income taxes.

The interest rate on the convertible debentures is 10%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year.

The accretion of decommissioning obligations relates to the passing of time until the Company estimates it will retire its assets and restore the asset locations to a condition which at a minimum meets environmental standards. This accretion expense is estimated to extend over a period of the next 42 years due to the long-term nature of certain assets. Accretion expense per boe decreased 44% and 30% in the three and nine months ended September 30, 2023, respectively, due to the disposition of properties and the higher discount rate used in the calculation of decommissioning obligations.

Income taxes

The Company has concluded that it is not probable that the deferred income tax asset associated with temporary timing differences will be realized. As a result, it has not been recognized on the statement of financial position at September 30, 2023. Therefore, no deferred income tax expense or recovery has been recorded in earnings in the current period. Clearview has no current income taxes payable and has estimated tax pools available against income of $136.7 million, including non-capital tax loss carry-forwards of $69.2 million which will expire over the years 2024 to 2040.

The Company's estimated tax pools as at September 30, 2023 are set out below:

Nature of tax pool	%[1]	Regular	Successor[2]	Total
Canadian exploration expense (CEE)	100	170	11,561	11,731
Canadian development expense (CDE)	30	10,136	10,977	21,113
Canadian oil and gas property expense (COGPE)	10	18,866	6,519	25,385
Foreign resource expenses	10	3,340	-	3,340
Undepreciated capital cost (UCC)	25	5,984	-	5,984
Non-capital losses carry forward	100	69,186	-	69,186
Total tax pools		107,682	29,057	136,739

[1] The percentage rate shown is the maximum rate of deduction.
[2] The pools can be claimed to the extent of future profits attributable to the acquired properties related to the pools.

Adjusted funds flow

The following is a reconciliation of cash provided by operating activities to adjusted funds flow:

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Cash flow provided by operating activities	43	2,150	(98)	2,177	6,865	(68)
Add back (deduct)						
Decommissioning expenditures	73	209	(65)	688	398	73
Change in non-cash working capital	1,027	(424)	(342)	651	375	74
Adjusted funds flow (1)	1,143	1,935	(41)	3,516	7,638	(54)

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See "Non-IFRS Measures" contained within this MD&A.

Adjusted funds flow decreased 41% for the three months ended September 30, 2023, primarily due to lower revenues from lower production volumes and lower realized prices. For the quarter ended September 30, 2023, cash provided by operating activities was $43 thousand compared to $2.2 million for the quarter ended September 30, 2022.

Adjusted funds flow decreased 54% for the nine months ended September 30, 2023, primarily due to lower revenues from lower production volumes and lower realized prices. For the nine months ended September 30, 2023, cash provided by operating activities was $2.2 million compared to $6.9 million for the same period ended September 30, 2022.

Net earnings (loss)

	Three months ended			Nine months ended		
	Sept. 30 2023	Sept. 30 2022	% Change	Sept. 30 2023	Sept. 30 2022	% Change
Net earnings (loss)	(932)	1,667	(156)	(2,525)	3,858	(165)
Per boe	(6.33)	9.04	(170)	(5.20)	6.94	(175)
Per share – basic	(0.08)	0.14	(157)	(0.22)	0.33	(167)
Per share – diluted	(0.08)	0.13	(162)	(0.22)	0.31	(171)

The Company incurred a net loss of $0.9 million for the three months ended September 30, 2023 compared to net earnings of $1.7 million in the comparative period of 2022. The Company incurred a net loss of $2.5 million for the nine months ended September 30, 2023 compared to net earnings of $3.9 million in the comparative period of 2022. The decrease in earnings versus the comparative periods is primarily due to much lower revenues as a result of lower prices and lower production volumes.

Netback analysis

	Three months ended			Nine months ended		
Barrel of oil equivalent ($/boe)	Sept. 30 2023	Sept. 30 2022	% Positive (Negative)	Sept. 30 2023	Sept. 30 2022	% Positive (Negative)
Realized sales price	39.26	52.15	(25)	40.60	58.65	(31)
Royalties	(4.68)	(9.85)	52	(4.91)	(10.43)	53
Processing income	0.69	0.80	(14)	0.41	0.71	(42)
Transportation	(1.82)	(1.70)	(7)	(2.11)	(1.67)	(26)
Operating	(20.00)	(20.81)	4	(20.56)	(20.03)	(3)
Operating netback (2)	13.45	20.59	(35)	13.43	27.23	(51)
Realized gain (loss) – financial instruments	(0.26)	(5.93)	96	(0.09)	(8.98)	99
General and administrative	(4.15)	(3.61)	(15)	(4.73)	(3.65)	(30)
Transaction costs	-	-	-	(0.05)	-	(100)
Cash finance costs (2)	(1.26)	(0.56)	(125)	(0.59)	(0.87)	32
Corporate netback (2)	7.78	10.49	(26)	7.97	13.73	(42)
Unrealized gain (loss) – financial instruments	(1.05)	8.93	(112)	(0.35)	1.72	(120)
Stock based compensation	(0.44)	(0.24)	(83)	(0.40)	(0.28)	(43)
Depletion and depreciation	(11.07)	(9.31)	(19)	(11.10)	(9.42)	(18)
Accretion	(1.55)	(1.03)	(50)	(1.15)	(1.06)	(8)
Gain on disposition of assets	-	-	-	(0.69)	2.19	(132)
Other (costs) income	-	0.20	(100)	-	0.06	(100)
Net earnings (loss)	(6.33)	9.04	(170)	(5.72)	6.94	(182)

(1) % Positive (Negative) is expressed as being positive (better performance in the category) or negative (reduced performance in the category) in relation to operating netback, corporate netback and net earnings.

(2) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See “Non-IFRS Measures” contained within this MD&A.

The Company’s corporate netback for the nine months ended September 30, 2023 decreased 42% to $7.97 per boe versus the comparative period. The decrease is primarily due to a lower realized sales price per boe and higher transportation and operating costs per boe which is partially offset by lower royalties, lower cash finance costs and a lower realized loss on financial instruments in the current period versus the comparative period.

SUMMARY OF QUARTERLY RESULTS

Three months ended	Sep 30 2023	Jun 30 2023	Mar 31 2023	Dec 31 2022	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021
Production								
Oil (bbl/d)	315	315	438	393	437	446	436	433
Natural gas liquids (bbl/d)	392	354	402	402	509	482	492	487
Natural gas (mcf/d)	5,354	4,660	5,764	6,125	6,360	6,528	6,965	6,755
Total (boe/d)	1,599	1,446	1,801	1,816	2,006	2,016	2,088	2,045
Financial								
Oil and natural gas sales	5,774	4,985	7,134	8,572	9,624	12,821	10,159	8,918
Net earnings (loss)	(932)	(840)	(753)	(6,407)	1,667	3,848	(1,657)	10,512
Per share – basic	(0.08)	(0.07)	(0.06)	(0.55)	0.14	0.33	(0.14)	0.90
Per share - diluted	(0.08)	(0.07)	(0.06)	(0.55)	0.13	0.30	(0.14)	0.82

In the third quarter of 2023, oil and natural gas sales increased by $0.8 million resulting from higher prices for the Company’s oil and natural gas liquids products and higher production of natural gas and natural gas liquids. Net loss for the three months ended September 30, 2023 was $0.9 million ($0.08 per basic share), the same as the prior quarter as higher revenue was offset by higher royalties, higher operating costs and realized and unrealized losses on financial instruments.

In the second quarter of 2023, oil and natural gas sales decreased by $2.1 million as a result of lower prices for all the Company’s production, lower production volumes of all products and the disposition of non-operated properties. Net loss for the three months ended June 30, 2023 was $0.8 million ($0.07 per basic share), a 17% increase from the prior quarter, primarily the result of lower revenues.

In the first quarter of 2023, oil and natural gas sales decreased by $1.4 million as a result of lower prices for crude oil, natural gas, pentanes, propane and butanes and lower production volumes of oil and natural gas due to normal declines and the disposition of non-operated properties. Net loss for the three months ended March 31, 2023 was $0.75 million ($0.06 per basic share), an 88% decrease from the prior quarter, primarily the result of a smaller loss on dispositions.

In the fourth quarter of 2022, oil and natural gas sales decreased by $1.1 million as a result of lower prices for crude oil, natural gas, pentanes, propane and butanes and lower production volumes of oil and natural gas. The decrease in revenue was primarily offset by lower realized losses on risk management contracts of $36 thousand as compared to the $1.1 million in the third quarter of 2022. Net loss for the three months ended December 31, 2022 was $6.4 million (($0.55) per basic share), a decrease from the prior quarter, primarily due to an impairment expense to adjust to fair value less costs to sell on the reclassification to assets held for sale, of a non-operated minor working interest property in its Central Alberta Oil CGU, in the fourth quarter of 2022 of $6.5 million.

In the third quarter of 2022, oil and natural gas sales decreased by $3.2 million as a result of lower prices for crude oil, natural gas, pentanes, propane and butanes and lower production volumes of oil and natural gas. The decrease in revenue was primarily offset by lower realized losses on risk management contracts of $1.4 million as compared to the second quarter of 2022. The net earnings for the three months ended September 30, 2022 was $1.7 million ($0.14 per basic share), a decrease from the prior quarter, primarily due to the lower revenue and no gain on sales of assets of $1.2 million offset by the reduced realized losses on risk management contracts of $1.4 million.

In the second quarter of 2022, oil and natural gas sales increased to $12.8 million as a result of higher prices for crude oil, natural gas, pentanes and butanes and higher production volumes of oil. The increase in revenue of $2.7 million was primarily offset by higher royalties of $0.2 million and higher general and administrative costs of $0.4 million and an increase in realized losses on financial instruments of $1.2 million as compared to the first quarter of 2022. The net earnings for the three months ended June 30, 2022 was $3.8 million ($0.33 per basic share), an increase from the prior quarter, primarily due to higher revenue, a gain on sales of assets of $1.2 million and an unrealized gain on financial instruments of $1.4 million versus an unrealized loss on financial instruments in the first quarter of 2022 of $2.1 million.

In the first three months of 2022, oil and natural gas sales increased to $10.2 million as a result of higher prices for crude oil, natural gas, pentanes, propane and butanes and higher production volumes of primarily natural gas. The increase in revenue of $1.3 million was primarily offset by higher royalties of $0.2 million and higher operating costs of $0.5 million and a decrease of $0.3 million of other income in the quarter as compared to the fourth quarter of 2021. The net loss for the three months ended March 31, 2022 was $1.7 million ($0.14 per basic share), an increase from the prior quarter, primarily due to higher operating costs and a higher unrealized loss on financial instruments.

In the fourth quarter of 2021, oil and natural gas sales increased to $8.9 million as a result of higher prices for crude oil, pentanes, propane and butanes and higher production volumes of natural gas liquids. The increase in revenue of $1.1 million was primarily offset by higher royalties of $0.7 million and an increase in operating costs of $0.2 million as compared to the third quarter of 2021. Net earnings for the three months ended December 31, 2021 was $10.5 million ($0.90 per basic share), primarily as a result of an impairment reversal of $8.3 million and an increase in the unrealized gain on financial instruments of $2.4 million.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a planned capital program of $6.0 to $7.0 million for 2023, primarily of discretionary expenditures and no significant commitments. The Company's expected 2023 adjusted funds flow and credit capacity should provide the liquidity to execute this capital program.

The Company has a net debt of $1.8 million at September 30, 2023, up from a net debt position of $0.5 million at December 31, 2022, with the components set out below.

As at	Sept. 30, 2023	Dec. 31, 2022
Cash and cash equivalents	3,472	242
Trade and other receivables	3,721	3,860
Prepaid expenses and deposits	904	770
Assets held for sale	-	2,891
Accounts payable and accrued liabilities	(7,968)	(4,939)
Liabilities related to assets held for sale	-	(1,430)
Decommissioning obligations	(711)	(711)
Convertible debentures	(1,232)	(1,222)
Net (debt) surplus [(1)]	(1,814)	(539)

(1) Non-IFRS measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures or ratios of other entities. See "Non-IFRS Measures" contained within this MD&A.

Balance sheet strength and flexibility remain a priority of the Company even through this much improved commodity price environment extending into 2023. The Company continues to consider funding alternatives, including an equity raise and/or non-core asset sales, building on the steps taken in prior years. Improved liquidity is a priority as the Company continues to evaluate strategic acquisitions. The Company monitors net debt as a key component of managing liquidity risk and determining capital resources available to finance future development.

As of September 30, 2023, the Company has a revolving, operating demand loan ("Operating Facility") with an Alberta based financial institution ("Lender") with a facility limit of $10.0 million (December 31, 2022 - $10.0 million). At September 30, 2023, the Company had no borrowings outstanding on the Operating Facility.

The Operating Facility is reserve-based, revolving and payable on demand. As the available lending limits are based on the lender's interpretation of the Company's reserves and future commodity prices, there can be no assurance as to the amount of available credit that will be determined at each scheduled review. Drawings under the facility can be undertaken in the form of prime-based loans or guaranteed notes offered by the Lender.

The Operating Facility is secured by a general security agreement providing a security interest over all present and acquired property and a floating charge on all oil and natural gas assets.

The interest rates applicable to drawings under the facilities are based on a pricing margin grid and can change quarterly as a result of the ratio of all outstanding indebtedness to annualized quarterly funds flows as calculated in accordance with the agreement governing the facility ("Debt to Funds Flow"). Annualized quarterly funds flow is defined as earnings before depletion and depreciation, stock based compensation, accretion of decommissioning obligations and debenture discounts, unrealized gains or losses on commodity contracts, gains or losses on dispositions, non-cash other costs (income) and deferred income taxes.

Under the Operating Facility, prime-based loans are subject to an interest rate of lender prime plus a credit spread of 3.00% to 6.00%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0.

Guaranteed notes are subject to the Canadian Dollar Offered Rate ("CDOR") plus a stamping fee of 4.00% to 7.00%, depending on the Debt to Funds Flow of less than 1.0 to greater than 4.0. Guaranteed notes may be undertaken for terms of 30, 60, 90 or 180 days.

The Company is subject to certain reporting and financial covenants, pursuant to its lending agreement. The agreement requires compliance with a working capital covenant whereby the Company must maintain a minimum working capital ratio of 1 to 1. For calculating compliance with this covenant, the amount drawn on the Operating Facility, classified as a current liability, and the fair value of financial instruments are excluded from working capital. Conversely, the amount of the undrawn portion of the Operating Facility is added to current assets. At September 30, 2023, the Company's working capital ratio for purposes of the lender's working capital covenant was 2.1:1 (2.5:1 at December 31, 2022). In addition, the Company and its lender have agreed to a covenant whereby the Company shall maintain a liability management rating ("LMR") of no less than 2.0. Clearview's LMR as at September 30, 2023 was 2.1. The Company is also required to maintain commodity swap contracts on a six month rolling basis, based on the percent drawn on its Operating Facility versus the credit capacity of $10 million. At less than or equal to 25%, the Company is required to have 15% of its production volumes hedged for the next six months. The Company has satisfied the requirement to contract a portion of its production volumes as per the lending agreement.

At September 30, 2023, the Company had only $10 thousand in letters of credit outstanding on the Operating Facility.

The next credit review is scheduled to be completed by no later than June 30, 2024. In the event that the Operating Facility limit is reduced and the amount outstanding exceeds this facility limit, the Company shall have thirty days to repay any shortfall.

The Company has $1.26 million of unsecured convertible debentures outstanding. The interest rate on the debenture is 10%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. During the term of the debenture, the debenture is convertible into common shares of the Company at the option of the holder based on a conversion price of $1.50 per common share.

The debentures have a term of five years and mature on November 30, 2025. The debentures may not be redeemed by the Company prior to December 1, 2021. During the remainder of the term, the Company may redeem the debentures over the term based on the following terms:

Year 3 – 105% of the principal amount plus accrued interest
Years 4 and 5 – 100% of the principal amount plus accrued interest

The Company manages liquidity risk, the risk that the Company will not be able to meet its financial obligations as they become due, by monitoring cash flows from operating activities, reviewing actual capital expenditures against budget, managing maturity profiles of financial assets and liabilities and having an active commodity price risk management program.

CONTRACTUAL OBLIGATIONS

The following is a summary of the Company's future minimum contractual obligations and commitments as of September 30, 2023.

	2023	2024	2025	2026	2027	Thereafter
Accounts payable and accrued liabilities	7,968	-	-	-	-	-
Decommissioning obligations	711	711	711	711	711	11,398
Convertible debentures	-	-	1,262	-	-	-
Total	8,679	711	1,973	711	711	11,398

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements. The commodity contracts for oil and natural gas prices and interest rate swaps disclosed in the MD&A are recorded at fair value as Financial Instruments on the statements of financial position at each reporting period with gains and losses recognized in earnings.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of voting common shares, an unlimited number of non-voting common shares and an unlimited number of preferred shares, issuable in series. As of November 20, 2023, the Company has 11,725,855 voting common shares outstanding and 524,000 options to acquire voting common shares outstanding. All outstanding options have a 7-year life from the date of grant with exercise prices of between $1.25 and $5.00 per option.

RELATED PARTY TRANSACTIONS

There were no related party transactions in the nine months ended September 30, 2023 and September 30, 2022.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's audited financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision to these estimates over time.

Management is often required to make judgments, assumptions and estimates in the application of International Financial Reporting Standards that may have a significant impact on the financial results of the Company. The Company's significant accounting policies are described in Note 3 to the audited financial statements for the periods ended December 31, 2022 and December 31, 2021. Certain estimates and judgments are described in Note 2 to the audited financial statements for the periods ended December 31, 2022 and December 31, 2021.

Current Environment

During 2023, energy prices continued to weaken from the end of 2022 due to heightened uncertainty of global oil and natural gas supply and future demand due to central bank actions to moderate inflation. The impact of these factors has been considered in management's estimates as at and for the period ended September 30, 2023.

Estimates and judgments made by management in the preparation of the financial statements are increasingly difficult and subject to a higher degree of measurement uncertainty during this volatile period.

Environmental Reporting Regulations

Environmental reporting for private enterprises continues to evolve and the Company may be subject to additional future disclosure requirements. The International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the objective to develop a global framework for environmental sustainability disclosure. The Canadian Securities Administrators have also issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters which sets forth additional reporting requirements for Canadian Public Companies. Clearview continues to monitor developments on these reporting requirements and has not yet quantified the cost to comply with these regulations.

The following is a discussion of the accounting estimates that are critical in determining the Company's financial results.

Property, plant and equipment

Oil and natural gas reserves - The Company's proved and probable oil and natural gas reserves at the current and prior year end were evaluated and reported on by the Company's independent qualified reserves evaluator. The estimation of reserves is a subjective process. Forecasts are based on geological and engineering data, projected future rates of production, estimated commodity price forecasts and the timing of future expenditures, all of which are subject to a number of uncertainties and interpretations. The Company expects that over time its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels. Proved and probable reserve estimates can have a significant impact on net earnings, as they are a key component in the calculation of depletion on a unit of production basis. Significant changes to commodity price forecasts and/or reserve estimates could also result in impairment or an impairment recovery.

Depletion - The unit-of-production method of depletion is based on estimated proven and probable reserves. Changes in estimated proved and probable reserves or future development costs have a direct impact on depletion expense.

Impairment - The impairment test uses forecast prices determined by the Company's independent reserve evaluator adjusted for price differentials specific to the Company and considered reasonable and relevant to the Company's products. The Company is also exposed to variability in operating and capital cost estimates and discount rates.

Decommissioning obligations

Decommissioning obligations are estimated for all wells and facilities in which the Company has an interest, regardless of whether reserves have been attributed to those assets by the Company's independent reserves evaluator. The Company estimates the future retirement date and likely current abandonment and reclamation costs for each well and facility based on current regulatory requirements, the regulator's estimates of such costs used to determine abandonment and reclamation costs and the Company's own experience, including historical costs incurred for abandonment or reclamation. To estimate future retirement costs, the Company applied a 1.8% inflation factor to its estimate of current costs. The Company believes this inflation factor is reasonable over the long term and is consistent with rates used by others in the industry. The risk-free rate is used to discount decommissioning provisions to the current reporting date. Expected retirement dates are based on the productive life of the wells as determined by the independent qualified reserves evaluator and by regulatory requirements.

Stock based compensation

The Company's accounting policy for stock based compensation was applied to account for the options granted during the periods ended September 30, 2023 and September 30, 2022. The costs of stock based compensation are calculated by reference to the fair value of the options at the date on which they are granted, using the Black-Scholes option pricing model. The Company is not listed on any stock exchange so judgment is required to determine the exercise price and to estimate volatility for purposes of the Black-Scholes option pricing model. The exercise price has been based on a methodology reflective of the value of comparable publicly trading companies, if the Company has not recently issued voting common shares. If options are issued in the future and there have not been recent issues of the voting common shares to third parties, judgment will be necessary to estimate a fair value for the exercise price. The estimate of volatility is based on oil and natural gas producers listed on a Canadian stock exchange.

Deferred tax assets

At each reporting period the Company evaluates deferred income tax assets to make a determination of whether the assets are likely to be realized. Based on management's assessment that it is not probable that future taxable income will be available against which the temporary differences will be utilized, all deferred tax assets previously recognized were expensed in 2015 and 2016. If the Company were to record deferred income tax assets in the future or at such time as it is required to record a net deferred income tax liability, it will be required to determine substantially enacted income tax rates applicable to the future years. The Company estimates the accounting and tax values during the period over which temporary difference are likely to reverse and tax rates expected to be effective when the temporary differences reverse.

Financial instruments

The estimated fair values of derivative financial instruments resulting in financial assets and liabilities, by their very nature, require estimates. The Company ensures the price received for a portion of its oil and natural gas volumes through the use of financial derivatives and estimates the mark to market value at each reporting period by applying estimated forward prices to the contracted volumes.

Cash-generating units ("CGU")

The determination of which assets constitute a cash generating unit requires management to make judgments as to the assets to be grouped together. A cash-generating unit is defined to be the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Because impairment testing is performed at the level of the cash-generating unit, rather than for individual assets, the composition of a CGU is an important judgement that may significantly impact the determination of recoverable amounts and the resulting impairment. The key estimates used in the determination of future cash flows from oil and natural gas assets include the following:

Reserves – The Company utilizes the reserves prepared by the Company's independent qualitied reserves evaluator. Assumptions that are valid at the time of the reserve estimation may change significantly when new information becomes available. Changes in forecast prices, production levels or results of future drilling may change the economic status of reserves and may result in reserves being revised.

Oil and natural gas prices – The Company utilizes the forecast prices provided by the Company's independent qualitied reserves evaluator. Commodity prices can fluctuate significantly within short periods of time for a variety of reasons including supply and demand fundamentals, access to facilities and pipelines, inventory levels, exchange rates, weather, and economic and geopolitical factors.

Operating costs, future development costs and estimates and timing of future decommissioning obligations – Estimates of future costs are used in the cash flow model, based on an analysis of actual costs incurred in recent years and then escalated for assumed future inflation. Actual results in the future may vary considerably from these estimates.

Discount rate – The Company estimates a range of discount rates for each of the six different categories of reserves (three categories for each of proved and probable reserves, being producing, developed but not producing and undeveloped). The estimated ranges of discount rates are those likely to be applied by an independent market participant and consideration of comparable asset transactions. Changes in the general economic environment could result in significant and rapid changes to discount rates being applied in the marketplace.

The determination of assets constituting a cash-generating unit requires judgment as to the assets to be grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Lease obligations

Lease obligations are estimated using the rate implicit in the lease, unless this rate is not readily determinable, in which case a discount rate equal to the Company's incremental borrowing rate is used.

This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment. Lease terms are based on assumptions regarding extension terms and renewal options that allow for operational flexibility and future market conditions.

Liquidity

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy, ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. See further discussion related to liquidity in Note 14 of the audited financial statements for the year ended December 31, 2022.

INDUSTRY CONDITIONS AND RISKS

The business of exploration, development, and acquisition of oil and gas reserves involves financial, operational and regulatory risks inherent in the oil and gas industry, several of which are beyond control of the Company, which may impact the Company's results.

The Company's revenues, profitability, future growth and the carrying value of its properties are substantially dependent on prevailing prices of oil and natural gas. The Company's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to volatility in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Company.

While the Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks. Refer to Note 15 of the audited financial statements for the year ended December 31, 2022 for additional analysis of these risks.

The Company's activities expose it to a variety of financial risks that arise from its exploration, development, production, and financing activities such as credit risk, liquidity risk and market risk. Presented below is information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout this MD&A and in the Company's audited financial statements. The Company employs risk management strategies and polices to ensure that any exposure to risk complies with the Company's business objectives and risk tolerance levels. The Company manages commodity price risks by focusing its acquisition program on areas that will generate attractive rates of return even at substantially lower commodity prices than those prices being received at the time of the acquisition. The Company uses derivative financial instruments to manage commodity price risk as described elsewhere in this MD&A.

The Company manages its working capital, net debt and the ratio of net debt to adjusted funds flow so as not to overextend the Company. Capital expenditures are limited to cash provided by operating activities, available lines of credit and proceeds from issuing shares when the Company believes that it is prudent.

Operational risks include exploration and development of economic oil and gas reserves, unsuccessful exploration and development drilling activity, competition from other producers, reservoir performance, safety and environmental concerns, access to and ability to retain cost effective contract services, escalating industry costs for contracted services and equipment, product marketing and hiring and retaining qualified employees.

The Company attempts to control operating risks by:

- maintaining a disciplined approach to implementation of the exploration and development program,
- monitoring operations and maintaining close communications with operators and joint interest partners,
- maintaining insurance commensurate with its level and scope of operations to protect against loss from destruction of assets, pollution, blowouts, or other losses.

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, and local laws and regulations. Environmental legislation provides for, among other things, restrictions, and prohibitions on spills, releases, or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil, or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge.

Although the Company believes that it is compliant with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development, or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

The Company's operations are subject to risks normal in the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, including encountering unexpected formations or pressures, blowouts and fires, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all these risks, nor are all such risks insurable, however management believes that adequate insurance has been obtained, where available. Environmental regulation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The Company expects it will be able to fully comply with all regulatory requirements in this regard.

The Company is subject to a variety of regulatory risks that it does not control. Safety and environmental matters are monitored to ensure compliance and to ensure employees, contractors and the public are protected. Changes in government or regulatory policies for matters such as royalties, income taxes, surface rights, mineral rights, operational requirements or processes for regulatory approvals, may impact the Company's operations, financial results and real or perceived risk to investors or creditors. These matters are largely beyond the Company's control but are monitored and managed to the extent possible.

Widening concerns over climate change, fossil fuel consumption, green house gas emissions, and water and land use could lead governments to enact additional laws, regulations and costs or taxes that may be applicable to Clearview. Changes to environmental regulations related to climate change could impact the demand for, development of or quality of the Company's petroleum products, or could require increased capital expenditures, operating expenses, asset retirement obligations and costs, which could result in increased costs which would reduce the profitability and competitiveness of Clearview if commodity prices do not rise commensurate with the increased costs. In addition, such regulatory changes could necessitate the Company to develop or adapt new technologies, possibly requiring significant investments of capital.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social and governance ("ESG") and climate reporting, the International Sustainability Standards Board has issued an IFRS Sustainability Disclosure Standard with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators have issued a proposed National Instrument 51-107 Disclosure of Climate-related Matters. The cost to comply with these standards, and others that may be developed or evolve over time, has not yet been quantified.

Non-IFRS Measures

Throughout this MD&A and other materials disclosed by the Company, Clearview uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Clearview's performance. Management believes that the presentation of these non-IFRS and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Clearview's business performance.

Capital Management Measures

Adjusted Funds Flow

Adjusted funds flow represents cash provided by operating activities before changes in operating non-cash working capital and decommissioning expenditures. The Company considers this metric as a key measure that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment, to repay debt and return capital to shareholders. Management believes that this measure provides an insightful assessment of the Company's operations on a continuing basis by eliminating the actual settlements of decommissioning obligations, the timing of which is discretionary. Adjusted funds flow should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Clearview's determination of adjusted funds flow may not be comparable to that reported by other companies. Clearview also presents adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.

Net Debt

Clearview closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of its capital structure. The Company uses net debt (current assets, excluding financial derivatives, less current liabilities, excluding financial derivatives, less convertible debentures) to assess financial strength, capacity to finance future development and to assist in assessing the liquidity of the Company.

Non-IFRS Measures and Ratios

Capital Expenditures

Capital expenditures equals additions to property, plant & equipment and additions to exploration & evaluation assets. Clearview considers capital expenditures to be a useful measure of adjusted funds flow used for capital reinvestment. The most directly comparable IFRS measure to capital expenditures is additions to property, plant & equipment and additions to exploration & evaluation assets.

Net Capital Expenditures

Net capital expenditures equals capital expenditures plus acquisitions of property, plant & equipment and less dispositions of property, plant & equipment. Clearview uses net capital expenditures to measure its total capital investment compared to the Company's annual capital budget expenditures. The most directly comparable IFRS measure to net capital expenditures is cash used in investing activities.

	Three months ended		Nine months ended	
	Sept. 30 2023	Sept. 30 2022	Sept. 30 2023	Sept. 30 2022
Cash used in investing activities	507	734	(994)	1,035
Changes in non-cash working capital	3,619	(77)	3,685	(45)
Net capital expenditures	4,126	657	2,691	990

Cash Finance Costs per boe

Cash finance costs per boe is calculated by dividing cash finance costs by total production volumes sold in the period. Management considers cash finance costs per boe an important measure to evaluate the Company's cost of debt financing relative to the Company's corporate netback per boe. The most directly comparable IFRS measure to cash financing costs is finance costs.

	Three months ended		Nine months ended	
	Sept. 30 2023	Sept. 30 2022	Sept. 30 2023	Sept. 30 2022
Finance costs	414	293	766	1,070
Accretion of decommissioning obligations and convertible debentures	(228)	(191)	(508)	(590)
Cash finance costs	186	102	258	480

Operating Netback per boe

Operating netback per boe is calculated by dividing operating netback by total production volumes sold in the period. Operating netback equals oil and natural gas sales plus processing income, less royalties, transportation expenses and operating expenses. Management considers operating netback per boe an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Clearview's operating netback per boe can be seen in the section entitled "Netback Analysis" of this MD&A.

Corporate Netback per boe

Corporate netback per boe is calculated as operating netback less general and administrative expenses and cash finance costs, plus/(minus) realized gains (losses) on financial instruments, minus(plus) other costs (income), less transaction costs divided by total production volumes sold in the period. Management considers corporate netback per boe an important measure to assist management and investors in assessing Clearview's overall cash profitability. The calculation of Clearview's corporate operating netback per boe can be seen in the section entitled "Netback Analysis" of this MD&A.

Supplementary Financial Measures

Adjusted funds flow per share is comprised of adjusted funds flow divided by the basic weighted average common shares.

Adjusted funds flow per diluted share is comprised of adjusted funds flow divided by the diluted weighted average common shares.

Realized sales price – oil is comprised of light crude oil commodity sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's oil production.

Realized sales price - ngl is comprised of natural gas liquids commodity sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's ngl production.

Realized sales price – natural gas is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's natural gas production.

Realized sales price – total is comprised of oil and natural gas sales from production, as determined in accordance with IFRS, before deduction of transportation costs and excluding gains and losses on financial instruments, divided by the Company's total production on a boe basis.

Forward-looking statements

The matters discussed in the MD&A include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Forward-looking statements may be identified, without limitation, by the use of such words as “anticipates”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects”, “believes”, or words or phrases of similar meaning. In addition, any statement that may be made concerning future performance, strategies or prospects and possible future corporate action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date. Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Company. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. The Company stresses that the above-mentioned list of important factors is not exhaustive. The Company urges all readers to consider these and other factors carefully before making any investment decisions. The Company urges all readers to avoid placing undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise these forward-looking statements as a result of new information, future events or otherwise, except as required under applicable securities laws.

Measures, conversions and acronyms

In this document, the abbreviations set forth below have the following meanings:

bbl	Barrel	mcf	Thousand cubic feet
mbbl	Thousand barrels	mmcf	Million cubic feet
bbl/d	Barrels per day	mcf/d	Thousand cubic feet per day
NGLs	Natural gas liquids	mmbtu	Million British Thermal Units
boe	Barrels of oil equivalent	gj	Gigajoule
boe/d	Barrels of oil equivalent per day	mboe	Thousand boe

Boe - Barrels of oil equivalent is determined on the basis of 1 boe to 6 mcf of natural gas and boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6 mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

WTI - West Texas Intermediate is the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade**.**

AECO – AECO is a natural gas storage facility located at Suffield, Alberta and the price of natural gas at this terminal is used as a benchmark for Canadian purposes.

API - an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To	Multiply by
mcf	1,000 m^3 of gas	0.028
1,000 m^3 of gas	Mcf	35.493
Bbl	m^3 of oil	0.158
m^3 of oil	bbl	6.290
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
mcf	gj	0.95

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