TRAVERSE ENERGY LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2016

This management's discussion and analysis ("MD&A") of Traverse Energy Ltd. ("Traverse" or "the Company") dated May 16, 2016 should be read in conjunction with the Company's unaudited condensed interim financial statements as at and for the three months ended March 31, 2016 and the audited financial statements as at and for the year ended December 31, 2015. This MD&A should also be read in conjunction with the Company's MD&A for the year ended December 31, 2015, as disclosure which is unchanged from December 31, 2015 may not be duplicated herein. Additional information relating to the Company, including Traverse's Annual Information Form, is available on SEDAR at www.sedar.com.

Description of the Company

Traverse Energy Ltd. is an oil and gas exploration, development and production company based in Calgary, Alberta, Canada. Traverse conducts its operations in the province of Alberta. The common shares of Traverse trade on the TSX Venture Exchange under the symbol “TVL”.

Non-IFRS measures

In this MD&A references are made to certain financial measures (such as funds from operation and operating netback) which do not have standardized meanings prescribed by IFRS and therefore may not be comparable to the calculation of similar measures by other entities. Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. There are no comparable measures in accordance with IFRS for operating netback. Management believes that in addition to net income (loss), the non-IFRS measures set forth below are useful supplemental measures as they assist in the determination of the Company's operating performance, leverage and liquidity. Investors should be cautioned however, that these measures should not be construed as an alternative to both net income (loss) and net cash from operating activities, which are determined in accordance with IFRS, as indicators of the Company's performance.

Funds from operations

Funds from operations represents cash flow from operating activities prior to changes in non-cash working capital and settlement of decommissioning obligations as detailed below:

	Three months ended March 31,	
($)	**2016**	2015
Cash provided by operating activities	611,760	1,999,987
Decommissioning expenditures	32,505	16,379
Change in non-cash working capital	(255,458)	(277,782)
Funds from operations	388,807	1,738,584

Funds from operations per BOE is funds from operations divided by barrels of oil equivalent production volume for the applicable period. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income (loss) per share.

Operating netback

Operating netback represents revenue, less royalties, operating and transportation expenses. Operating netback per BOE is the operating netback divided by barrels of oil equivalent production volume for the applicable period. The calculation of Traverse's operating netback is detailed under the heading "Operating netback".

BOE presentation

The term “BOE” or barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

Forward-looking information

This MD&A contains forward-looking information. Forward-looking information is based upon the opinions, expectations and estimates of management as at the date the information is provided and, in some cases, information received from or disseminated by third parties. In particular, the Company's statements with respect to the completion and commissioning of the Coyote water disposal facilities; evaluation and testing of a suspended well at Turin; closing of the flow-through share brokered private placement in late May; increased second quarter operating costs due to production maintenance expenditures and intentions for funding capital expenditures in 2016 are forward-looking information. This forward-looking information is subject to a variety of substantial known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking information. The Company's Annual Information Form filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describes the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

The forward-looking information contained in this MD&A is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

	Three months ended		
HIGHLIGHTS *(Unaudited)*	**March 31, 2016**	Dec. 31, 2015	March 31, 2015
Financial *($ thousands, except per share amounts)*			
Petroleum and natural gas revenue	**1,635**	3,172	3,513
Cash provided by operations	**612**	1,642	2,000
Funds from operations (1)	**389**	2,024	1,739
Per share - basic and diluted	**0.01**	0.03	0.02
Net loss	**(671)**	(3,720)	(555)
Per share - basic and diluted	**(0.01)**	(0.05)	(0.01)
Capital expenditures, net of dispositions	**998**	3,913	2,322
Total assets	**37,288**	38,786	43,676
Working capital (deficiency)	**126**	767	(5,240)
Common shares			
Outstanding *(millions)*	**71.9**	71.9	70.5
Weighted average *(millions)*	**71.9**	71.6	70.5
Operations *(units as noted)*			
Average production			
Natural gas *(mcf/day)*	**2,203**	2,951	2,932
Oil and NGL *(bbls/day)*	**409**	563	627
Total (*BOE/day)*	**776**	1,055	1,116
Average sales price			
Natural gas *($/mcf)*	**2.21**	2.72	3.66
Oil and NGL *($/bbl)*	**32.01**	47.02	45.09
Netback *($/BOE)*			
Petroleum and natural gas revenue	**23.15**	32.69	34.97
Royalties	**(0.84)**	(0.61)	(2.17)
Operating costs	**(11.31)**	(10.77)	(10.37)
Transportation costs	**(1.77)**	(1.64)	(1.69)
Operating netback (2)	**9.23**	19.67	20.74
General and administrative	**(3.59)**	(2.25)	(3.12)
Finance expense (3)	**(0.14)**	(0.05)	(0.51)
Current income tax recovery	**-**	3.49	0.20
Funds from operations (1)	**5.50**	20.86	17.31

(1) Funds from operations represents cash flow from operating activities prior to changes in non-cash working capital and settlement of decommissioning obligations. Funds from operations per BOE is funds from operations divided by barrels of oil equivalent production volumes for the applicable period.

(2) Operating netback represents revenue, less royalties, operating and transportation expenses. Operating netback per BOE is the operating netback divided by barrels of oil equivalent production volumes for the applicable period.

(3) Excludes non-cash accretion.

Operations review

In April 2016 Traverse announced a reduction in the 2016 exploration and development program to $10 million and the deferral of drilling activities to the second half of 2016. Traverse will continue to monitor the commodity environment and adjust activity accordingly.

In the first quarter, Traverse finished installing a one kilometer water disposal line at Coyote. The water disposal facility will be completed in the second quarter and is expected to be commissioned by late May. At the Coyote 15-31 battery site the tank vent piping system was upgraded to allow for tank vapour recovery. The battery tank farm was also modified and upgraded for increased water storage in conjunction with the water disposal facility. At Turin, one previously flowing well was equipped with a pumpjack and a suspended well was acquired from a third party. This well will be further evaluated and tested in the second quarter.

Undeveloped land holdings in Alberta at March 31, 2016 were 191,700 gross (191,000 net) acres. At March 31, 2016 the Company had working capital of approximately $126,000 and unutilized credit facilities. On May 4, 2016 the Company announced a brokered private placement offering of up to $3.0 million in flow-through common shares. The offering is anticipated to close in late May.

	Three months ended March 31,	
Production	**2016**	2015
Natural gas *(mcf/day)*	**2,203**	2,932
Oil and NGL *(bbls/day)*	**409**	627
Total *(BOE/day)*	**776**	1,116
% Oil and NGL	**53%**	56%
Production by area (BOE/day)		
Coyote	**432**	558
Michichi	**56**	110
Turin	**279**	377
Minor	**9**	71
Total BOE per day	**776**	1,116

Production decreased 30% to 776 BOE per day in the first quarter of 2016 as compared to 1,116 BOE per day in the quarter ending March 31, 2015 (the "Corresponding Period"). Drilling activities were reduced in 2015 and no new production has been added since the fall of 2015. In addition, due to the combination of winter access costs and depressed commodity prices, some production maintenance activities were delayed until the second quarter of 2016. Minor area production, which includes royalty income, decreased 87% over the Corresponding Period due to the sale of the Brazeau royalty property in June 2015.

	Three months ended March 31,	
Pricing	**2016**	2015
Average realized prices		
Oil *($/bbl)*	**34.09**	46.63
NGL *($/bbl)*	**11.60**	25.78
Natural gas *($/mcf)*	**2.21**	3.66
BOE (*$/BOE)*	**23.15**	34.97

Traverse realized an oil price of $34.09 per bbl during the three months ended March 31, 2016 compared to $46.63 per bbl during the Corresponding Period. During the first quarter of 2016, Traverse's discount to CAL (Central Alberta) approximated $7 per bbl (Corresponding Period $6 per bbl). These pricing differentials are a function of North American refinery supply/demand fundamentals as well as crude quality.

In the three months ended March 31, 2016, Traverse realized natural gas prices of $2.21 per mcf (Corresponding Period: $3.66 per mcf). The Company's natural gas generally receives a premium of 5 to 10% above the AECO daily benchmark due to the higher heat content of its natural gas. The realized natural gas price also incorporates the result of any fixed physical delivery contracts. During the three months ended March 31, 2016 the impact on natural gas sales of these contracts was $57,441 (Corresponding Periods: $188,308).

The average BOE sales price received in the three months ended March 31, 2016 decreased 34% due to declining commodity prices. The proportion of oil and NGL in the Company's sales mix for the three months ended March 31, 2016 has declined slightly to 53% (Corresponding Period: 56%).

Volatility in the commodity markets will continue to impact realized prices in 2016. At March 31, 2016 Traverse had natural gas physical delivery contracts pertaining to the remainder of 2016 outstanding for an average of 1,000 GJ per day at $2.16 per GJ and 500 GJ per day for the first quarter of 2017 at $2.56 per GJ. There were no derivative commodity contracts outstanding during 2015, the first quarter of 2016 or as at March 31, 2016.

Operating netback	Three months ended March 31,			
	2016		2015	
	$	**$/BOE**	$	$/BOE
Petroleum and natural gas revenue	**1,635,177**	**23.15**	3,512,932	34.97
Royalties	**(59,736)**	**(0.84)**	(218,315)	(2.17)
Operating	**(798,722)**	**(11.31)**	(1,041,292)	(10.37)
Transportation	**(124,879)**	**(1.77)**	(169,980)	(1.69)
Operating netback	**651,840**	**9.23**	2,083,345	20.74

The Company's corporate royalty rate (as a percentage of revenue) decreased in the three months ended March 31, 2016 compared to the Corresponding Period. Royalties decreased as a result of crown incentives on new production and reduced crown royalty rates due to commodity price declines.

Operating costs increased on a BOE basis for the three months ended March 31, 2016 compared to the Corresponding Period mainly due to the decline in royalty production which did not have associated operating costs. Operating costs will increase in the second quarter, despite the addition of water disposal facilities at Coyote, due to production maintenance expenditures.

The operating netback decreased 55% for the three months ended March 31, 2016 compared to the Corresponding Period due to declines in both production and commodity prices.

Funds from operations	Three months ended March 31,			
	2016		2015	
	$	**$/BOE**	$	$/BOE
Operating netback	**651,840**	**9.23**	2,083,345	20.74
General and administrative expense - gross	**(275,616)**	**(3.90)**	(351,818)	(3.50)
General and administrative - recoveries	**22,207**	**0.31**	38,179	0.38
Finance expense excluding accretion	**(9,624)**	**(0.14)**	(51,122)	(0.51)
Current income tax recovery	**-**	**-**	20,000	0.20
Funds from operations	**388,807**	**5.50**	1,738,584	17.31

Gross general and administrative costs decreased 22% in the first quarter of 2016 compared to the Corresponding Period due mainly to reductions in office staff associated with the reduced capital program. Operator recoveries declined in the current quarter compared to the Corresponding Period due to the reduction in capital expenditures. General and administrative expenses, net of recoveries, increased on a BOE basis by 15% compared to the Corresponding Period due to the decrease in production volumes.

Cash finance expense, which is composed of interest expense and financing charges, decreased in the three months ended March 31, 2016 as compared to the Corresponding Period as the credit facility was unutilized in the 2016 quarter.

A current income tax recovery was recognized in the Corresponding Period relating to the recovery of cash income taxes paid in prior years. There is no current income tax recovery in the 2016 period.

Funds from operations decreased 78% from the Corresponding Period to $0.4 million in the 2016 period due to production declines and lower commodity prices.

Net Loss	Three months ended March 31,			
	2016		2015	
	$	**$/BOE**	$	$/BOE
Funds from operations	**388,807**	**5.50**	1,738,584	17.31
Finance expense - accretion	**(22,500)**	**(0.32)**	(18,750)	(0.19)
Share based compensation	**(11,038)**	**(0.16)**	(24,467)	(0.24)
Exploration and evaluation expense	**(135,331)**	**(1.92)**	(261,199)	(2.60)
Depletion and depreciation	**(1,134,914)**	**(16.07)**	(2,113,335)	(21.04)
Deferred income tax recovery	**244,000**	**3.45**	123,800	1.23
Net Loss	**(670,976)**	**(9.52)**	(555,367)	(5.53)

The accretion on decommissioning obligations increased for the three months ended March 31, 2016 as compared to the Corresponding Period due to the increase in the underlying decommissioning obligation liability due to liabilities incurred and changes in estimates recorded in the 2015 year.

Share based compensation expense in the first quarter of 2016 decreased compared to the Corresponding Period as a result of the lower fair value of stock options granted in 2016. On April 26, 2016 Traverse granted 1,630,000 stock options to directors, officers, employees and consultants.

Exploration and evaluation ("E&E") expenses result from impairment of E&E assets, unsuccessful E&E costs and the expiry of undeveloped lands. In the first quarter of 2016, E&E expenses of $135,331 were recorded relating to the pending expiry of undeveloped lands. In the Corresponding Period $261,199 was recorded relating to the unsuccessful re-entry of a well at Hanna.

Traverse depletes its developed oil and natural gas properties, by area, based on proved and probable reserves. The calculation of depletion expense includes future development costs related to these reserves of $7.7 million at March 31, 2016 (2015 - $4.8 million) and excluded $1.4 million (2015 - $1.3 million) for estimated salvage values. Future development costs at March 31, 2016 relate to four additional horizontal wells at Coyote.

Depletion and depreciation expense on a total dollar basis decreased 46% for the three months ended March 31, 2016 over the Corresponding Period due to decreased production as well as decreases in the depletable base as a result of the impairment recorded in the second half of 2015. On a per BOE basis, depletion and depreciation decreased 24% for the three months ended March 31, 2016 compared to the Corresponding Period.

The Company recorded a larger deferred income tax recovery in the three months ended March 31, 2016 compared to the Corresponding Period due to the larger current period loss.

Capital expenditures

The Company incurred $1.0 million in expenditures in the first quarter of 2016 mainly relating to the Coyote water disposal facility, the Coyote tank farm venting system and the equipping of a previously flowing well at Turin.

	Three months ended March 31,	
($)	**2016**	2015
Land acquisition and rentals	166,394	173,186
Geological and geophysical	116,167	107,526
Drilling and completions	76,564	1,450,176
Equipping and facilities	639,116	586,658
Exploration and development capital	998,241	2,317,546
Corporate assets	-	4,091
Net capital expenditures	998,241	2,321,637

Liquidity and capital resources

At March 31, 2016 Traverse had working capital of approximately $126,000 and an unutilized credit facility of $7.0 million. The Company's Board of Directors has approved a $10 million exploration and development program for 2016. The Company intends to fund capital expenditures and commitments during 2016 with a combination of cash flow, working capital, new equity issues and/or debt. On May 4, 2016 the Company announced a brokered private placement offering of up to $3.0 million in flow-through common shares. The offering is anticipated to close in late May.

As at May 16, 2016 Traverse had 71,948,269 common shares outstanding and 7,175,000 common share options outstanding.

In March 2016, Traverse announced a normal course issuer bid (the "NCIB"). During the period commencing March 22, 2016 and ending March 21, 2017 the Company may purchase for cancellation up to 2 million common shares. Management of Traverse believes that the present trading price of the common shares is at a significant discount to a figure which is reflective of the Company's value as a whole therefore it is in the best interests of all shareholders that, from time to time, common shares be acquired by the Company and returned to treasury thus increasing the net asset value per common share for the remaining shareholders. No common shares were purchased under the NCIB in the period ended March 31, 2016.

Commitment

The Company has entered into a lease commitment for office space. The term of the lease is 10 years commencing November 1, 2011. The annual payments under this commitment are as disclosed in the notes to the audited financial statements.

Summary of quarterly results

($ thousands, except per share amounts)
(Unaudited)

Quarter ended	**March 31 2016**	December 31 2015	September 30 2015	June 30 2015
Petroleum and natural gas revenue	**1,635**	3,172	2,924	3,273
Cash provided by operating activities	**612**	1,642	1,767	2,189
Funds from operations	**389**	2,024	1,760	1,739
Per share - basic and diluted	**0.01**	0.03	0.02	0.02
Net income (loss)	**(671)**	(3,720)	(4,011)	5,525
Per share - basic and diluted	**(0.01)**	(0.05)	(0.06)	0.08
Working capital	**126**	767	2,063	4,460
Production *(BOE/day)*	**776**	1,055	951	924
Capital expenditures, net of dispositions	**998**	3,913	4,117	(7,824)

Quarter ended	March 31 2015	December 31 2014	September 30 2014	June 30 2014
Petroleum and natural gas revenue	3,513	5,508	5,336	4,338
Cash provided by operating activities	2,000	3,473	3,160	1,461
Funds from operations	1,739	3,420	3,131	2,409
Per share - basic and diluted	0.02	0.05	0.05	0.03
Net income (loss)	(555)	(6,358)	635	407
Per share - basic and diluted	(0.01)	(0.09)	0.01	0.01
Working capital (deficiency)	(5,240)	(4,641)	(1,695)	5,800
Production *(BOE/day)*	1,116	1,249	1,115	775
Capital expenditures, net of dispositions	2,322	7,725	10,658	5,475

In the second quarter of 2014 production volumes increased slightly as the partial suspension of production in the Coyote area ended May 1 and new production from 2014 drilling commenced late in June. Declines in the natural gas price resulted in decreased revenue during the second quarter. The expiration of the New Well Royalty Rate on certain wells resulted in increased royalties in the second quarter. These additional royalties combined with increased operating costs relating to start up of new wells and compression resulted in decreased funds from operations. Stock based compensation relating to option grants during the second quarter further reduced net income. Capital expenditures in the second quarter related to the drilling of 4 oil wells at Coyote, equipping and tie in activities and the installation of compression at the Turin facility.

In the third quarter of 2014 production volumes increased as new production from 2014 drilling commenced. Increased production and commodity prices resulted in increased revenue during the third quarter. New production resulted in a decline in royalties and new facilities helped to reduce operating costs on a unit basis. These decreased costs combined with increased revenue resulted in increased funds from operations and net income. Capital expenditures in the quarter related to the drilling and completion of 3 wells at Coyote, the drilling of a horizontal well at Coyote and the construction of the Coyote battery.

In the fourth quarter of 2014 production volumes increased as new production from two horizontal wells at Coyote commenced. Increased production resulted in increased revenue despite declining commodity prices. New production resulted in a decline in royalties and these decreased costs combined with increased revenue resulted in increased funds from operations. During the fourth quarter the Company recorded an impairment of property and equipment resulting in a net loss for the quarter. Capital expenditures in the quarter related mainly to the drilling of a second horizontal well at Coyote and the completion and tie in of both horizontals.

In the first quarter of 2015 production volumes declined as flush production from the Coyote horizontals declined. Commodity price declines resulted in decreased revenue and funds from operations. Increased depletion resulting from increased volumes and higher finding costs resulted in a net loss for the quarter. Capital expenditures in the quarter related mainly to the drilling and completion of one well at Coyote and the re-entry and abandonment of a well at Hanna.

In the second quarter of 2015 production volumes declined mainly due to the decrease in flush production from the Coyote horizontals. Commodity price declines resulted in decreased revenue. Funds from operations was unchanged as revenue declines were offset by decreases in operating and royalty expenses. The sale of the Brazeau royalty property resulted in a gain on sale which resulted in net income for the quarter. Capital expenditures for the quarter related mainly to the tie in of one well in the Coyote area and pre drill expenditures.

In the third quarter of 2015 production volumes increased due to the addition of a new production from the Coyote area. Commodity price declines resulted in decreased revenue. Funds from operations was consistent as revenue declines were offset by decreases in general and administrative expenses and increases in current tax recoveries. During the third quarter the Company recorded an impairment of property and equipment resulting in a net loss for the quarter. Capital expenditures for the quarter related mainly to the drilling, completion and tie in of a horizontal Mannville well at Coyote, the drilling of a vertical well at Coyote and recompletions and workovers.

In the fourth quarter of 2015 production volumes increased due to the addition of a new horizontal well in the Coyote area. Despite continued commodity price decline, increased production resulted in increased revenue and funds from operations. During the fourth quarter the Company recognized additional impairment of property and equipment. Capital expenditures for the quarter related mainly to the drilling, completion and tie in of a horizontal Mannville well at Coyote, the construction of a sales gas pipeline at Coyote and the tie in of a natural gas well at Turin.

In the first quarter of 2016 production declined as no new production was added. Decreased production and continued commodity price decline resulted in decreased revenue and funds from operations. Capital expenditures for the quarter related mainly to the water disposal facility and tank farm venting system at the Coyote battery.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. For further information on the determination of certain estimates inherent in the financial statements, refer to Note 3 (l) *"Critical accounting judgements and key sources of estimation uncertainty"* in the audited financial statements as at and for the year ended December 31, 2015, a copy of which is available on SEDAR at www.sedar.com.

Reserves

The assessment of reported recoverable quantities of proved and probable reserves include estimates regarding production profile, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in anticipated recoveries.

The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the carrying value of the Company's petroleum and natural gas properties and equipment, the calculation of depletion, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows. The recoverable quantities of reserves and estimated cash flows from the Company's petroleum and natural gas interests are independently evaluated by reserve engineers at least annually. Traverse's petroleum and natural gas reserves are determined pursuant to National Instrument 51-101, Standards of Disclosures for Oil and Gas Activities.

Decommissioning obligations

The Company estimates future decommissioning obligations of production facilities, wells and pipelines based on current legal and constructive requirements, technology, price levels and expected plans for remediation. In most instances, removal of assets occurs many years into the future. This requires assumptions regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability specific discount rates to determine the present value of these cash flows.

Stock based compensation

Compensation costs recognized for share based compensation plans are subject to the estimation of what the ultimate payout will be using pricing models such as the Black Scholes model which is based on significant assumptions such as share price, volatility, forfeiture rate, dividend yield and expected term.

Financial derivatives

The Company's estimate of the fair value of derivative financial instruments is dependent on estimated forward prices and volatility in those prices.

Deferred income taxes

Tax interpretations, regulations and legislation in the jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of each reporting period to determine the likelihood that they will be realized from future taxable earnings.

Future accounting pronouncements

A description of the Company's recently adopted and pending accounting pronouncements are summarized in Note 3 (m) *"Accounting policy changes"* of the Company's audited financial statements as at and for the year ended December 31, 2015, a copy of which is available on SEDAR at www.sedar.com.

Business environment and risk

Additional risk factors can be found under *"Risk Factors"* in the Company's 2015 Annual Information Form ("AIF"), which can be found on www.sedar.com. Many risk factors are listed below and in the AIF, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from anticipated results.

The business risks the Company is exposed to are those inherent in the oil and gas industry as well as those governed by the individual nature of Traverse's operations. Geological and engineering risks, the uncertainty of discovering commercial quantities of new reserves, commodity prices, interest rate and foreign exchange risks, competition and government regulations – all of these govern the business and influence the controls and management at the Company.

Traverse manages these risks by attracting and retaining a team of highly qualified and motivated professionals who have a vested interest in the success of the Company, operating properties in order to maximize opportunities, maintaining a strong financial position and maintaining strict environmental, safety and health practices.