

CROWN POINT ENERGY INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") of the consolidated financial results of Crown Point Energy Inc. ("**Crown Point**" or the "**Company**") is at and for the three and nine months ended September 30, 2019.

This MD&A is dated as of November 15, 2019 and should be read in conjunction with the Company's unaudited September 30, 2019 condensed interim consolidated financial statements and the audited December 31, 2018 consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The functional currency of the Company's three subsidiaries is the United States dollar ("**USD**"); the functional currency of the Company is the Canadian dollar ("**CAD**"). The Company's presentation currency is the USD. In this MD&A, unless otherwise noted, all dollar amounts are expressed in USD. References to "**ARS**" are to Argentina Pesos.

This MD&A contains non-IFRS measures, abbreviations and forward-looking information relating to future events and the Company's future performance. Please refer to "Non-IFRS Measures", "Abbreviations and BOE Presentation" and "Advisories" sections at the end of this MD&A for further information.

Additional information relating to Crown Point, including Crown Point's unaudited September 30, 2019 condensed interim consolidated financial statements, audited December 31, 2018 consolidated financial statements and other filings are available on SEDAR at www.sedar.com.

In the following discussion, the three and the nine months ended September 30, 2019 may be referred to as "Q3 2019" and "the September 2019 period", respectively, the comparative three and nine months ended September 30, 2018 may be referred to as "Q3 2018" and "the September 2018 period", respectively, and the previous three month period ended June 30, 2019 may be referred to as "Q2 2019".

CORPORATE OVERVIEW AND STRATEGY

Crown Point (TSX-V: CWV) is a Calgary-based junior international oil and gas company with producing assets and an opportunity base in two of the largest producing basins in Argentina, the Austral basin in the Province of Tierra del Fuego ("**TDF**") and the Neuquén basin, in the Province of Mendoza.

The Company's strategy is designed to deliver low-risk growth and capitalize on large potential exploration upside. Specifically, Crown Point is focused on increasing its production base in TDF through exploration and development drilling supplemented by recompletion and fracture stimulation of select older producing wells. Currently, the Company's production is derived entirely from its participating interest in the Rio Cullen, Las Violetas and La Angostura exploitation concessions in TDF (the "**TDF Concessions**") where an active development and exploration program is in place to expand the Company's reserves and production. See the Acquisition of St. Patrick Oil & Gas S.A. and Disposition of Participating Interest section of this MD&A.

Crown Point is also conducting an exploration program in its 100% interest in the Cerro de Los Leones ("**CLL**") exploration concession permit (the "**CLL Permit**") in the Province of Mendoza, an area surrounded by several large conventional oil pools.

ACQUISITION OF ST. PATRICK OIL & GAS S.A. AND DISPOSITION OF PARTICIPATING INTEREST

On June 7, 2018, the Company closed the acquisition (the "**Acquisition**") of all of the issued and outstanding shares of St. Patrick Oil & Gas S.A. (formerly named Apco Austral S.A.) ("**St. Patrick**"), from a third party (the "**Vendor**") for cash consideration plus up to \$9 million of contingent royalty payments ("**Contingent Royalty Payments**") during a ten-year period until December 31, 2027.

St. Patrick held a 25.7796% participating interest in the TDF Concessions (the "**Participating Interest**"). Following the completion of the Acquisition, the Company and its wholly-owned subsidiary St. Patrick collectively held a 51.56% interest in the TDF Concessions, which includes the San Martin discovery wells located on the La Angostura concession. The Acquisition doubled the Company's reserves and production.

Arbitration and Rights of First Refusal Sale

Pursuant to the Joint Operating and Union Transitoria de Empresas Agreement governing the TDF Concessions (the "**UTE Agreement**"), the Company's and St. Patrick's partners in the TDF Concessions (each an "**UTE Partner**") had a right of first refusal ("**ROFR**") to acquire St. Patrick's Participating Interest in the TDF Concessions. One of the UTE Partners disputed the validity of the ROFR notices issued by St. Patrick and the Vendor to the UTE Partners and, among other things, commenced arbitration proceedings against St. Patrick and the Vendor under the UTE Agreement in order to have an arbitration tribunal consider and rule on the dispute.

In December 2018, the arbitration tribunal ordered St. Patrick and the Vendor to comply with the provisions of the UTE Agreement that grant the ROFR to acquire St. Patrick's Participating Interest in the TDF Concessions to the other UTE Partners. All of St. Patrick's UTE Partners subsequently exercised their ROFRs to acquire their proportionate share of St. Patrick's Participating Interest in the TDF Concessions (the "**ROFR Sale**").

On April 26, 2019, St. Patrick completed the ROFR Sale of a 16.83% participating interest (representing 65.27% of St. Patrick's Participating Interest) in the TDF Concessions to its UTE Partners for \$17.5 million of cash consideration (\$13.5 million plus a \$4 million income tax gross-up). The UTE Partners will also make future payments to St. Patrick equal to their proportionate share of the Contingent Royalty Payments that accrue following closing of the ROFR Sale, for which contingent consideration receivable has an estimated fair value of \$3.8 million. As a result of the disposition, the Company's collective participating interest in the TDF Concessions decreased from 51.56% to 34.73%.

The Company recognized a \$1.7 million loss on disposition of the participating interest pursuant to the ROFR Sale.

OPERATIONAL UPDATE

TDF Concessions

La Angostura Concession

During Q3 2019, the San Martin field produced a total of 360,478 bbls of 35 API gravity oil (125,212 bbls net) and 124 mmcf of associated natural gas (43 mmcf net). Daily oil production averaged 3,918 bbls per day (net 1,361 bbls per day). Natural gas sales during Q3 2019 were disrupted due to maintenance and repair work to the YPF operated gas sales line used to transport San Martin associated gas production to the sale point. Natural gas sales were discontinued on May 20, 2019 and restored on September 6, 2019 after completion of repairs, and recommissioning of the gas pipeline.

Las Violetas Concession

No drilling was carried out on the Las Violetas concession during Q3 2019. Two wells, LF-1029 and AS.x-1001, are waiting for a workover rig to become available in order to finish repairs and complete flow tests.

Prospect identification and evaluation to develop additional exploitation, step-out and appraisal locations for inclusion in the 2020 capital program on the TDF Concessions continues.

CLL Permit

The Company has a 100% working interest in the 100,907 acre area covered by the CLL Permit, which is located in the northern portion of the Neuquén Basin in the Province of Mendoza, Argentina.

The Company was required to complete a 3-D seismic program and drill one exploration well by January 22, 2019. The Company received formal approval from the Province of Mendoza extending the January 22, 2019 deadline to complete its outstanding Phase Two work obligation (the drilling of one exploration well) by October 22, 2019. In doing so, the Company accepted an additional work obligation to drill a second exploration well before the new October 22, 2019 deadline. On October 18, 2019, the Company requested a four month extension (to February 23, 2020) to accommodate the drilling and evaluation of both wells.

The Company acquired 214 km² of 3-D seismic in Q3 2018 which was used to finalize two drilling locations in the northern CLL area at an aggregate budgeted cost of \$4.5 million. Both wells are targeting Tertiary and upper Cretaceous sandstones which are oil productive immediately north of the CLL Permit. The first well was spud in on October 20, 2019 and cased on November 2, 2019, after encountering five meters of oil bearing sands in the middle Tertiary Agua de Piedra formation; the second well will be drilled during the latter part of November 2019.

OUTLOOK

Capital Spending

The Company's capital spending for Q4 2019 is budgeted at \$5.2 million comprised of \$2.1 million in TDF and \$3.1 million in CLL based on expenditures for the following proposed activities:

- Install oil treatment and water handling facilities at San Martin to improve production capacity and reduce trucking costs;
- Other improvements to facilities in TDF; and
- Drill and complete two exploration wells in CLL.

The Company's capital spending for fiscal 2020 is budgeted at \$8.6 million comprised of \$5.2 million in TDF and \$3.4 million in CLL based on expenditures for the following proposed activities:

- Drill and complete one well in the San Martin concession;
- Perform five well workovers: two in the Los Flamencos field and one in the San Luis field of the Las Violetas concession, one in the La Angostura concession and one in the Rio Chico concession;
- Complete water handling facilities at San Martin to improve production capacity;
- Other improvements to facilities in TDF; and
- Perform a re-entry on one CLL well.

Crown Point expects to meet these obligations, along with its other anticipated expenses, using cash flow from operations, new indebtedness and/or equity financings and potential joint venture arrangements.

Argentina – Economic Summary

During the first half of 2019, the economy had begun a slight recovery and tended towards fiscal balance. However, an increase in political and economic uncertainty after the current Government was defeated in primary elections severely affected Argentina's main economic variables. Argentina's economy has been affected by high volatility in the ARS / USD exchange rate, high levels of inflation, and high interest rates. The accumulated inflation rate for the September 2019 period was 37.7% and the ARS devaluation against the USD for the same period reached 52.76%. As a result, bank credit shrank and the economic activity level continued to decline.

In an attempt to mitigate a greater loss of currency reserves, the current Government imposed temporary currency controls restricting foreign currency purchases and restoring the obligation to liquidate USD obtained from the sale of exported goods. These temporary currency controls affect the ability of Argentine companies to make external debt repayments denominated in USD and other foreign currencies.

On October 27, 2019, Alberto Fernández was elected President of Argentina, and will begin his term on December 10, 2019. At the present time, the next steps to be taken by the elected President and his new Government have not been disclosed. As a result, the Company is unable to predict what, if any, new economic or other policies the new President and his Government might implement or how the change in Government might impact the oil and gas industry in Argentina, in general, and the Company, in particular.

Commodity Prices

Oil

Oil from the Company's TDF Concessions is sold at a discount to the Brent price. During Q3 2019, the Company received an average of \$53.83 per bbl for its TDF oil.

Natural gas

Crown Point can sell its natural gas production to both industrial and residential consumers for which the industrial market price for natural gas is higher than the residential market price.

During Q3 2019, the Company received an average of \$3.56 per mcf for sales of its TDF natural gas, most of which was sold to the higher-priced industrial market.

FINANCIAL INFORMATION

SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	September 30 2019	December 31 2018	December 31 2017
Working capital (deficit)	16,099,824	(1,562,992)	685,653
Exploration and evaluation assets	9,849,382	9,032,994	6,013,387
Property and equipment	30,716,811	54,750,958	23,198,458
Non-current contingent consideration receivable ⁽¹⁾	1,966,122	–	–
Total assets	71,480,288	85,128,625	40,856,370
Non-current financial liabilities ⁽²⁾	3,756,446	4,744,616	–
Share capital	56,755,215	131,745,215	119,982,644
Total common shares outstanding	72,903,038	72,903,038	32,903,038

(expressed in \$, except shares outstanding)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Oil and natural gas sales revenue	9,595,656	16,560,691	35,357,653	29,260,963
Income before taxes	1,503,428	4,880,620	6,929,059	7,403,157 ⁽³⁾
Net income (loss)	(319,888)	4,074,610	(529,560)	3,398,707 ⁽³⁾
Net income (loss) per share ⁽⁴⁾	(0.00)	0.06	(0.01)	0.07 ⁽³⁾
Net cash from operating activities	3,752,375	4,516,249	13,432,262	13,921,964
Net cash per share – operating activities ⁽⁴⁾	0.05	0.06	0.18	0.27
Funds flow from operating activities ⁽⁵⁾	2,406,576	10,380,308	8,499,645	13,894,546
Funds flow per share – operating activities ⁽⁴⁾⁽⁵⁾	0.03	0.14	0.12	0.27
Weighted average number of shares	72,903,038	72,903,038	72,903,038	51,950,657

(1) The total amount of contingent consideration receivable at September 30, 2019 is \$3,276,968 of which \$1,310,846 is classified as current (December 31, 2018 – \$nil).

(2) Non-current financial liabilities at September 30, 2019 are comprised of the contingent liability and lease liability (December 31, 2018 – contingent liability). The total amount of contingent liabilities outstanding at September 30, 2019 is \$5,303,009 of which \$2,341,700 is classified as current (December 31, 2018 – \$7,066,546, of which \$2,321,930 is classified as current). The total amount of lease liabilities at September 30, 2019 is \$965,786 of which \$170,649 is classified as current.

(3) Restated. See "Restatement of Comparative Figures" for details of the restatement.

(4) All per share figures are based on the basic weighted average number of shares outstanding in the period. The effect of options is anti-dilutive. Per share amounts may not add due to rounding.

(5) "Funds flow from operating activities" and "Funds flow per share – operating activities" are non-IFRS measures. See "Non-IFRS Measures" for a reconciliation of these measures to the nearest comparable IFRS measures.

RESULTS OF OPERATIONS

Results of Operations – TDF

Operating Netback

Per BOE	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Oil and gas revenue (\$)	41.42	49.08	42.05	45.46
Royalties (\$)	(6.71)	(8.68)	(6.47)	(7.70)
Export tax (\$)	(2.31)	–	(2.88)	–
Operating costs (\$)	(11.32)	(9.03)	(10.55)	(10.11)
Operating netback ⁽¹⁾ (\$)	21.08	31.37	22.15	27.65

(1) "Operating netback" is a non-IFRS measure. See "Non-IFRS Measures".

Variations in the TDF operating netback for the 2019 periods as compared to the 2018 periods are explained by changes in sales volumes and revenues, export taxes, royalties and operating costs as detailed below.

Sales Volumes and Sales Revenues

Sales volumes	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Light oil (bbls)	143,145	182,341	485,085	301,550
NGL (bbls)	517	1,291	3,072	3,837
Natural gas (mcf)	528,126	922,751	2,115,622	2,029,638
Total BOE	231,683	337,424	840,761	643,660
Light oil bbls per day	1,556	1,982	1,777	1,105
NGL bbls per day	6	14	11	14
Natural gas mcf per day	5,741	10,030	7,750	7,435
BOE per day	2,518	3,668	3,080	2,358

Sales revenue	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Light oil (\$)	7,705,140	11,896,232	26,916,486	19,546,130
NGL (\$)	9,792	16,156	52,053	67,065
Natural gas (\$)	1,880,724	4,648,303	8,389,114	9,647,768
Total sales revenue	9,595,656	16,560,691	35,357,653	29,260,963
Light oil per bbl (\$)	53.83	65.24	55.49	64.82
NGL per bbl (\$)	18.93	12.52	16.94	17.48
Natural gas per mcf (\$)	3.56	5.04	3.97	4.75
Total sales revenue per BOE (\$)	41.42	49.08	42.05	45.46

TDF Sales and Production Volumes

During Q3 2019, the Company's average daily sales volumes were 2,518 BOE per day, down 23% from 3,261 BOE per day in Q2 2019 due mainly to lower production from natural gas wells combined with a delivery restriction in the terminal Cruz del Sur since September 17, 2019 that required the UTE to reduce production volumes from the San Martin wells, and down 31% from 3,668 BOE per day in Q3 2018 mainly due to the decrease in the Company's working interest in the TDF Concessions from 51.56% to 34.73% on April 26, 2019 (see the Acquisition of St. Patrick Oil & Gas S.A. and Disposition of Participating Interest section of this MD&A).

TDF average daily production volumes for Q3 2019 were 2,504 BOE per day, down 18% from 3,068 BOE per day in Q2 2019 mainly due to the aforementioned delivery restriction, and down 29% from 3,515 BOE per day in Q3 2018 mainly due to the decrease in the Company's working interest in the TDF Concessions.

TDF sales volumes were weighted as follows:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Light oil	62%	54%	58%	47%
NGL	—	—	—	1%
Natural gas	38%	46%	42%	52%
Total	100%	100%	100%	100%

All of the Company's natural gas production is sold in the period produced, therefore natural gas sales volumes equal production volumes.

Oil (and related NGL) production from TDF may be either (1) stored then shipped for sale to the domestic market and/or international brokers for export or (2) trucked and sold to Chile. The sale of crude oil transported by ship from TDF can be impacted by intermittent shipments due to storage levels and weather conditions and/or by delivery restrictions arising as a result of repair and maintenance activities at the

shipping terminal. Oil and NGL sales volumes may include both previously inventoried volumes as well as current period production.

For the nine months ended September 30	Oil				NGL			
	2019		2018		2019		2018	
	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day
Inventory, January 1	–		37,172		2,884		1,465	
Acquisition	–		18,839		–		1,409	
Production	543,199	1,990	302,935	740	3,259	12	3,829	10
Sales	(485,085)	(1,777)	(301,550)	(771)	(3,072)	(11)	(3,838)	(10)
Disposition of participating interest	(24,435)		–		(1,132)		–	
Inventory, September 30	33,679		57,396		1,939		2,865	

TDF Revenues and Pricing

TDF revenue per BOE earned in Q3 2019 was approximately \$41.42 per BOE, lower than \$46.33 per BOE achieved in Q2 2019 mainly due to a decrease in the average price of Brent combined with a decrease in natural gas prices in Q3 2019. TDF revenue per BOE in Q3 2019 is lower than \$49.08 per BOE achieved in Q3 2018 due to a decrease in oil and natural gas prices in Q3 2019.

Of the commodities produced from the TDF Concessions, only natural gas is subject to seasonal demand. Residential demand for natural gas in Argentina is higher during the colder months of April through October, generally resulting in lower average natural gas prices during this period as sales to the residential market earn a lower price than sales to the industrial market. Seasonal reductions in average natural gas prices during winter are typically offset by increases in gas sales during warmer months to the much higher-priced industrial market.

The price earned by the Company on TDF natural gas sales in Q3 2019 averaged \$3.56 per mcf, down 15% from \$4.19 per mcf earned in Q2 2019 and down 29% from \$5.04 per mcf earned in Q3 2018. The price of natural gas earned by the Company varies with the composition of sales to the residential and industrial markets and price fluctuations within each market. During Q3 2019, 77% of sales were to the industrial market and 23% were to the residential market (Q2 2019 – 84% industrial; 16% residential; Q2 2018 and Q3 2018 – 100% industrial).

The average natural gas price for the industrial market was \$3.46 per mcf in Q3 2019, \$3.46 per mcf in Q2 2019 and \$5.04 per mcf in Q3 2018. The average natural gas price for the residential market was \$3.57 per mcf in Q3 2019 and \$4.61 per mcf in Q2 2019.

Oil from Crown Point's TDF Concessions earned \$53.83 per bbl in Q3 2019, down 6% from \$57.12 per bbl in Q2 2019 and down 17% from \$65.24 per bbl in Q3 2018, due to a decrease in the average price of Brent in the 2019 periods.

The price earned by the Company on TDF NGL sales was \$18.93 per bbl in Q3 2019, down 6% from \$20.15 per bbl in Q2 2019 and up 51% from \$12.52 per bbl received in Q3 2018.

See also the Outlook – Commodity Prices section of this MD&A.

Export Tax

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Export tax (\$)	534,373	50,960	2,425,017	50,960
Export tax as a % of oil revenue	6%	0%	7%	0%
Export tax per BOE (\$)	2.31	0.15	2.88	0.08

In September 2018, the Government of Argentina imposed a 12% export tax on all goods exported from Argentina, to a maximum of 4 ARS per 1 USD of export sales revenue. The Company recognizes export taxes related to oil sales to the export market.

Royalties

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Provincial royalties (\$)	1,553,440	2,927,811	5,439,758	4,956,844
Royalties as a % of Revenue	16.2%	17.7%	15.4%	16.9%
Royalties per BOE (\$)	6.71	8.68	6.47	7.70

The base royalty rate for revenue from the TDF Concessions is 15% plus other royalties at an average rate of 2% on revenues for which the base royalty is paid in cash rather than in-kind. Variances in TDF royalties are also impacted by commodity prices over certain thresholds which may increase the base rate by 0.5% increments and by the level of export sales volumes which bear an additional royalty of 2% compared to mainland Argentina sales which carry a 1% royalty.

The royalty rate is lower in the 2019 periods than in the 2018 periods due to oil export sales in 2019 which are exempt from turnover tax and due to the export tax paid in 2019, which is deducted from the royalty base calculation.

Operating Costs

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Production and processing (\$)	1,767,554	2,415,320	6,302,276	5,296,207
Transportation and hauling (\$)	854,561	630,784	2,560,732	1,207,771
Total operating costs (\$)	2,622,115	3,046,104	8,863,008	6,503,978
Production and processing per BOE (\$)	7.63	7.16	7.50	8.23
Transportation and hauling per BOE (\$)	3.69	1.87	3.05	1.88
Operating costs per BOE (\$)	11.32	9.03	10.55	10.11

Production and processing costs per BOE are higher in Q3 2019 than in Q3 2018 due mainly to higher delivery expenses charged at the terminal. Production and processing costs per BOE are lower in the September 2019 period than in the September 2018 period due in part to the effect of the devaluation of the ARS against the USD. During the September 2019 period, the ARS declined 53% against the USD. A portion of the Company's operating costs, including rates for field personnel and trucking, are set and settled in ARS based on the ARS to USD exchange rate at a particular point in time. Rates for field personnel and trucking may be subsequently adjusted in the event of significant changes in the ARS to USD exchange rate.

Transportation and hauling costs consist of contracted services hired to perform vacuum truck and transportation activities for crude oil. Transportation and hauling costs are higher in the 2019 periods than in the 2018 periods due to delivery restrictions at the terminal resulting in higher delivery expenses and to oil from the Company's San Martin wells that is trucked to the Company's TDF facilities for storage and for which a portion is trucked to Chile for sale.

Gas Processing Income

Gas processing income is related to adjustments received from YPF for gas processing from December 2016 to June 2019. During Q3 2019, the Company reversed \$157,778 of the \$644,320 accrued in Q2 2019 based on estimates from the UTE. During the September 2019 period, the Company recognized \$486,542 of gas processing income.

G&A Expenses

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Salaries and benefits (\$)	285,871	192,764	1,362,214	648,078
Professional fees (\$)	474,660	236,082	1,236,764	658,493
Office and general (\$)	66,010	61,541	182,873	248,634
Travel and promotion (\$)	51,943	46,204	141,976	104,896
	878,484	536,591	2,923,827	1,660,101

Salaries and benefits are higher in the 2019 periods than the 2018 periods due to bonuses granted to officers and employees combined with an increase in staffing levels which were partially offset by the devaluation of ARS against the USD which resulted in lower salary costs for Argentine employees in the 2019 periods.

Professional fees include reserve reports fees, consulting fees for financial reporting and investor relations services, legal and consulting fees related to assistance with the preparation of various documents for regulatory compliance and consulting fees related to geological and engineering assistance. Professional fees are higher in the 2019 periods than the 2018 periods due mainly to geological and engineering consulting fees and legal fees.

Office and general expenses are lower in the September 2019 period than in the September 2018 period due to management's cost-savings efforts.

Travel and promotion expenses include the cost of management's investor relations activities and travel between Argentina and Canada. Travel and promotion expenses are higher in the 2019 periods than the 2018 periods as there were more trips between Argentina and Canada by management.

Depletion and Depreciation

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
TDF depletion (\$)	1,947,286	4,152,186	7,374,561	7,702,642
Depreciation (\$)	55,758	21,270	164,822	46,004
	2,003,044	4,173,456	7,539,383	7,748,646
TDF depletion rate per BOE (\$)	8.40	12.31	8.77	11.97

Depletion rates reflect the all-in combined charge of drilling operations, various asset acquisitions and investments in facilities and gathering systems. Office furniture, equipment and other assets are recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using a straight line basis over 3 to 10 years for Argentina office furniture and equipment and a straight line basis over the term of the lease for all leasehold improvements.

The TDF depletion rate per BOE is lower in the 2019 periods than the 2018 periods due mainly to an increase in the proved plus probable reserves estimated in the externally prepared December 31, 2018 reserve report (9,246,333 BOE pre-disposition of participating interest pursuant to the ROFR Sale; 6,229,061 BOE post-disposition of participating interest pursuant to ROFR Sale) as compared to the 2017 report (4,280,000 BOE). Proved plus probable reserves in the 2017 report were based on the Company's 25.7804% participating interest in the TDF Concessions prior to the Acquisition of St. Patrick which increased the Company's participating interest in TDF to 51.56%. The increase in proved plus probable reserves in the 2018 reserve report is primarily due to the Acquisition of St. Patrick and additional reserves assigned as a result of the two San Martin wells drilled in the La Angostura Concession.

Share-based payments

On April 3, 2019, the Company granted 2,175,000 stock options to officers and directors. The stock options are exercisable at CAD\$0.75 per share until April 3, 2024 and vest one-third on the grant date and one-third on the first and second anniversaries of the grant date. The grant date fair value of the stock options was estimated to be \$661,500 using the Black-Scholes pricing model.

During Q3 2019 and the September 2019 period, the Company recognized \$83,177 and \$383,237, respectively, (nine months ended September 30, 2018 – \$nil) of share-based payment expense. As at September 30, 2019, the balance of unvested share-based payments was \$278,263.

Foreign Exchange Gain (Loss)

During Q3 2019 and the September 2019 period, the Company recognized a \$123,765 foreign exchange loss and an \$845,241 foreign exchange gain, respectively, compared to foreign exchange gains of \$317,485 and \$834,462, respectively, during Q3 2018 and the September 2018 period.

The functional currency of Crown Point is the CAD. The functional currency of each of Crown Point's wholly owned subsidiaries, CanAmericas (Argentina) Energy Ltd., Crown Point Energía S.A. and St. Patrick, is the USD. The presentation currency of Crown Point is the USD.

Foreign exchange gains (losses) reported in the consolidated statement of loss and comprehensive loss occur as a result of translation of foreign denominated monetary assets and liabilities to the functional currency of the respective entity and the related currency fluctuations between the CAD and the USD and the USD and the ARS.

Exchange rates ⁽¹⁾ as at:	September 30 2019	December 31 2018
CAD to USD	0.7551	0.7330
ARS to USD	0.0174	0.0266
USD to ARS	57.5565	37.6500

(1) Source Canadian Forex Exchange

In Crown Point, the translation of USD denominated foreign net monetary assets to CAD during the September 2019 period resulted in a foreign exchange loss of approximately \$48,700 (September 2018 period – \$156,400 foreign exchange gain).

Notwithstanding that the functional currency of the Company's Argentine subsidiaries is the USD, a portion of monetary assets and liabilities such as accounts receivable and accounts payable are denominated in ARS and re-measured into the functional currency at each reporting date, making net monetary assets and liabilities somewhat sensitive to currency fluctuations.

In the Argentine subsidiaries, the translation of ARS denominated net monetary liabilities to USD during the September 2019 period resulted in a foreign exchange gain of approximately \$894,000 (September 2018 period – \$711,500 foreign exchange gain).

Currency devaluation in Argentina affects the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiaries. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During the September 2019 period, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 23% (September 2018 period - devaluation of ARS; lower by approximately 27%).

During the September 2019 period, the devaluation of ARS since December 31, 2018 resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments by approximately \$2,307,000 (September 2018 period – devaluation of ARS; reduction by approximately \$761,000).

Net Finance Expense

During Q3 2019 and the September 2019 period, the Company earned \$71,729 and \$223,290, respectively, of interest income on interest-earning bank accounts compared to \$2,350 and \$12,030, respectively, in Q3 2018 and the September 2018 period.

During Q3 2019 and the September 2019 period, the Company incurred \$163,569 and \$793,021, respectively, of financing fees and bank charges compared to \$136,937 and \$412,328, respectively, in Q3 2018 and the September 2018 period. Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers which were higher in Q3 2019 than in previous periods.

During Q3 2019 and the September 2019 period, the Company incurred \$nil and \$3,069, respectively, of interest expense on bank debt compared to \$135,997 and \$199,446, respectively, in Q3 2018 and the September 2018 period. Interest expense is lower in the 2019 periods than in the 2018 periods due to the full repayment of loans on January 10, 2019 as described under the Liquidity and Capital Resources – Argentina Loans section of this MD&A.

During Q3 2019 and the September 2019 period, the Company recognized a \$48,000 recovery of loan guarantee fees compared to \$34,340 and \$139,172, respectively, of loan guarantee fee expenses in Q3 2018 and the September 2018 period. See the Related Party Transactions section of this MD&A.

Taxes

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Current tax expense (recovery) (\$)	2,100,172	(70,390)	8,739,896	2,390,850
Deferred tax provision (recovery) (\$)	(276,856)	876,400	(1,281,277)	1,613,600
Total tax expense (\$)	1,823,316	806,010	7,458,619	4,004,450

Current tax expense is related to taxable income in Argentina generated by the Company's Argentine subsidiaries, Crown Point Energía S.A. and St. Patrick. During the September 2019 period, the Company paid \$4,632,159 (ARS 203,555,468) to Argentine tax authorities for 2018 income taxes and \$2,155,551 (ARS 101,638,141) related to 2019 income taxes.

The deferred tax provision (recovery) is related to increases/decreases in the Company's ARS denominated tax pools combined with the effect of a reduction in the tax rate applied to certain temporary tax differences and the devaluation of the ARS during the period on the translation of ARS denominated tax pools to USD. As at September 30, 2019, the Company's deferred tax liability was \$4,721,985 (December 31, 2018 – \$7,329,504).

CAPITAL EXPENDITURES

The Company recognized the following additions in exploration and evaluation ("E&E") assets during the September 2019 period and September 2018 period, primarily related to CLL.

	Nine months ended September 30	
	2019	2018
Cash expenditures (\$)	816,388	3,483,692
Decommissioning revisions (\$)	–	(4,061)
	816,388	3,479,631

The Company also recognized the following additions (dispositions) to property and equipment assets during the September 2019 period and the September 2018 period:

	Nine months ended September 30	
	2019	2018
Drilling and completion (\$)	4,860,758	5,635,899
Corporate assets (\$)	101,193	85,821
Cash expenditures (\$)	4,961,951	5,721,720
Acquisition of St. Patrick	–	25,280,400
Right-of-use-assets (\$)	1,439,525	–
Decommissioning revisions (\$)	36,648	1,546,859
Disposition of participating interest	(27,228,360)	–
	(20,790,236)	32,548,979

Allocation of cash expenditures:	Nine months ended September 30	
	2019	2018
TDF (\$)	4,860,758	5,635,899
Corporate (\$)	101,193	85,821
	4,961,951	5,721,720

During the September 2019 period, the Company incurred \$4,860,758 of expenditures in the TDF area primarily related to the re-fracture stimulations of SM a-1003 and LR x -1001, facilities at SM a-1002,

workovers on four wells and the installation of an oil pipeline at SM x-1001.

During the September 2018 period, the Company incurred \$5,635,899 of expenditures in the TDF area primarily related to drilling and completion of the SM a-1002 well, completion of the LFE -1004 well, drilling of the SM a-1003 and LR x-1001 wells, construction of the gas line for the SM x-1001 well, and other facilities improvements.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company manages its liquidity risk through management of its capital structure and annual budgeting of its revenues, expenditures and cash flows.

During the September 2019 period, the Company reported a net loss of \$529,560 and \$8,499,645 of funds flow from operating activities. As at September 30, 2019, the Company had a \$16,099,824 working capital surplus (December 31, 2018 – \$1,562,992 working capital deficit), including \$19,314,719 of cash held in bank accounts.

The Company's capital expenditure budget for Q4 2019 and fiscal 2020 is \$5.2 million and \$8.6 million, respectively. The Company anticipates using cash held in bank accounts and funds flow from operating activities to fund the Company's capital expenditure program for Q4 2019 and fiscal 2020. For details of the Company's Q4 2019 and fiscal 2020 capital expenditure program, see the Outlook section of this MD&A.

The Company has significant future capital commitments to develop its properties. As new opportunities arise or planned expenditures are revised, the Company is committed to raising the necessary funds required for operations and capital expenditures through equity financing, joint venture agreements, and debt. If more of the Company's properties become economic and productive, the additional cash flow generated will assist in funding the Company's future activities.

Contingent Liability

As at December 31, 2018, the Company had a \$7,066,546 contingent liability representing the estimated fair value of Contingent Royalty Payments associated with the Acquisition. Under the terms of the royalty agreement, the Company will make quarterly payments over a ten-year period until December 31, 2027 equal to 10% of the amount by which net revenue (oil and gas revenue less provincial royalties) attributable to St. Patrick's former 25.7796% participating interest in the TDF Concessions for the quarter exceeds certain base net revenue thresholds for such quarter. If in any quarter the net revenues attributable to such participating interest do not exceed the base net revenue threshold for that quarter, then no royalty payment will be payable.

During the September 2019 period, the Company made \$894,122 of cash royalty payments to the Vendor. As at September 30, 2019, the Company re-measured the fair value of the contingent liability at \$5,303,009 based on revisions to the expected future net revenues and other measurement inputs resulting in a fair value adjustment of \$869,415.

As part of the consideration for the disposition of a participating interest in the TDF Concessions pursuant to the ROFR Sale, the UTE Partners will make future payments to St. Patrick equal to their proportionate share of Contingent Royalty Payments that accrue following closing of the ROFR Sale on April 26, 2019. The fair value of the UTE Partners' proportionate share of contingent consideration on April 26, 2019 was estimated to be \$3.8 million. During Q3 2019, the Company collected \$123,881 of cash royalty payments from the UTE Partners. As at September 30, 2019, the Company re-measured the fair value of the contingent consideration receivable at \$3,276,968 based on revisions to the expected future net revenues and other measurement inputs resulting in a fair value adjustment of \$431,264.

Argentina Loans

On December 7, 2018, the Company obtained a \$1.7 million loan facility from Banco Macro secured by certain of the Company's accounts receivable to a maximum of \$1.7 million applied against the loan when collected. The loan bore interest at a rate of 6.75% per annum, calculated and paid monthly, and was repayable on or before February 5, 2019. The loan was repaid on January 10, 2019.

RELATED PARTY TRANSACTIONS

Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of September 30, 2019, and the date of this MD&A, no revenue has been earned from the CLL Permit.

During Q3 2019 and the September 2019 period, the TDF UTE (of which the Company is a member) sold a portion of natural gas production to Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, for which the Company recognized \$nil and \$65,272 (ARS 2,654,686), respectively, (Q3 2018 and the September 2018 period – \$100,937 (ARS 3,425,351) and \$288,097 (ARS 5,259,167)) of oil and gas revenue for its working interest share. Included in trade and other receivables as at September 30, 2019 is \$nil (December 31, 2018 – \$23,045 (ARS 864,431)) in respect of this revenue.

In 2018, Messrs. Pablo Peralta and Roberto Domínguez personally guaranteed the Company's payment obligations under certain loans (collectively, the "Loans"). Mr. Peralta is a director of the Company and is the President and a director of Liminar and controls 30% of the voting shares of Liminar. Mr. Domínguez controls approximately 30% of the voting shares of Liminar. Liminar owns approximately 59.5% of the Company's outstanding common shares. In consideration for the provision of the guarantee of the Loans, the Company agreed to pay to Messrs. Peralta and Domínguez an annual fee during the term of the Loans equal to 1% of the principal amount outstanding under the Loans on the date of such payment and annually thereafter on the anniversary date of the first payment. During Q3 2019 and the September 2019 period, the Company recognized a \$48,000 recovery of prior year loan guarantee fees due to the absence of Loans outstanding on the anniversary date of the first payment. During Q3 2018 and September 2018 period, the Company recognized \$31,000 and \$135,832, respectively, of Loan guarantee fees, of which \$104,382 was paid on July 27, 2018.

On September 20, 2018, the Company paid a \$3,340 loan guarantee fee to ST Inversiones S.A. in relation to the guarantee of another bank loan. Messrs. Peralta and Domínguez jointly control 100% of the voting shares of ST Inversiones S.A.

During Q3 2018 and the September 2018 period, the Company paid \$30,342 of interest to CMS de Argentina S.A. in respect of a working capital loan. Messrs. Peralta and Domínguez jointly control 66% of the voting shares of CMS de Argentina S.A.

During Q3 2019 and the September 2019 period, the Company was charged \$103,839 and \$163,839, respectively, by Liminar for legal advisory services pursuant to a services agreement with an effective date of April 1, 2019. Included in trade and other payables as at September 30, 2019 is \$24,200 payable to Liminar.

There were no other transactions between the Company and related parties of the Company during the 2019 periods.

SUBSEQUENT EVENTS

At a special meeting of shareholders held on October 30, 2019, the Company's shareholders voted in favour of a special resolution authorizing the board of directors of the Company to reduce the stated capital of the Company's common shares by up to \$0.185 per share (up to approximately \$13.5 million) to permit the Company to pay a special distribution ("**Return of Capital**") to the Company's shareholders.

On November 15, 2019, the board of directors approved a reduction of the stated capital of the Company's common shares by \$0.185 per share for a Return of Capital of approximately \$13.5 million. The Return of Capital is subject to any approvals required by the TSX Venture Exchange.

In light of the Return of Capital, the board of directors has determined not to declare a fourth quarter dividend on its common shares and to suspend the Company's quarterly dividend payment until further notice.

SHARE CAPITAL

Issued and outstanding	Common Shares	Stock Options
December 31, 2018	72,903,038	41,000
Expired May 9, 2019	–	(41,000)
Granted April 3, 2019	–	2,175,000
September 30, 2019 and date of MD&A	72,903,038	2,175,000

Reduction of stated capital

On May 28, 2019, the Company's shareholders approved a special resolution for the reduction of the stated capital account maintained in respect of the Company's common shares by \$74,990,000 (CAD 100,000,000) on April 1, 2019. The reduction of the stated capital of the Company's common shares was offset by the elimination of the Company's April 1, 2019 deficit in the amount of \$68,909,490 and a \$6,080,510 increase to contributed surplus.

DIVIDENDS

On June 7, 2019, the Company declared a quarterly cash dividend on its common shares of \$0.01 per share (\$729,030) for Q2 2019 which was paid on July 15, 2019.

On August 16, 2019, the Company declared a quarterly cash dividend on its common shares of \$0.01 per share for Q3 2019 and a special cash dividend on its common shares of \$0.015 per share, for a total cash dividend of \$0.025 per share (\$1,822,576). The quarterly dividend and the special dividend were paid on September 30, 2019.

COMMITMENTS

(a) TDF Concessions

Following the completion of the ROFR Sale on April 26, 2019, the Company has a 34.73% working interest in the TDF area of Argentina covering approximately 489,000 acres (169,800 net acres) in the Austral Basin and includes the Las Violetas, La Angostura and Rio Cullen exploitation concessions. The term of each concession expires in August 2026. The Company's share of expenditure commitments as at September 30, 2019 (after giving effect to the ROFR Sale) with respect to the TDF Concessions are as follows:

Concession	Term of Expenditure Period	Required Expenditure Commitment
Rio Cullen	Until August 2026	\$0.62 million, none of which was spent as of September 30, 2019.

(b) Cerro De Los Leones Concession

The CLL Permit confers upon its holder the exclusive right to explore for hydrocarbons during three successive exploration periods lasting three, two and one year(s), respectively. Fifty percent of the acreage of the CLL Permit shall be relinquished at the end of each of the first two exploration periods or converted into an exploitation concession or evaluation block.

The following provides details of the work commitments as at September 30, 2019 required to be completed during each of the exploration periods:

Period	Term of Exploration Period	Required Work Commitment ⁽¹⁾
Period 1	Expired	Transferred to Period 2
Period 2	October 22, 2019 ⁽²⁾ ⁽³⁾	A minimum of approximately \$4.6 million in expenditures of which \$3 million had been incurred as of September 30, 2019 plus 2 exploration wells at an estimated cost of \$4.5 million of which \$0.8 million had been incurred as of September 30, 2019

Period 3	1 year commencing upon expiry of Period 2	1 exploration well at an estimated cost of \$2.5 million
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- (1) The required work commitments are expressed as work units in the CLL Permit. Each work unit has an approximate dollar value of \$5,000, however, other factors may be considered when determining whether work units have been satisfied.
- (2) Should the Company fail to complete its work commitments within the specified time period, it must surrender the concession exploration lands and will be obligated to make a payment equal to the value of the Company's outstanding Period 2 work commitments.
- (3) On October 18, 2019, the Company requested an extension of the expenditure period from October 22, 2019 to February 23, 2020.

RESTATEMENT OF COMPARATIVE FIGURES

During the audit of the Company's December 31, 2018 consolidated financial statements, it was determined that the \$4.4 million of withholding taxes paid to Argentine tax authorities pursuant to the provisions of the share purchase agreements entered into in connection with the June 7, 2018 acquisition of St. Patrick be treated as part of the cash consideration rather than expensed as transaction costs as reported in the September 30, 2018 unaudited condensed interim consolidated financial statements.

The treatment of the withholding taxes has been corrected retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The restatement had no impact on the comparative figures for the three months ended September 30, 2019. The effect of the restatement of the September 30, 2018 comparative figures is summarized below:

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the nine months ended September 30, 2018	Previously reported	Restatement	Restated
Transaction costs	\$ 4,586,312	\$ (4,432,907)	\$ 153,405
Total expenses	\$ 20,504,352	\$ (4,432,907)	\$ 16,071,445
Operating income	\$ 3,799,767	\$ 4,432,907	\$ 8,232,674
Income before taxes	\$ 2,970,250	\$ 4,432,907	\$ 7,403,157
Net income (loss) for the period	\$ (1,034,200)	\$ 4,432,907	\$ 3,398,707
Net income (loss) per share	\$ (0.02)	\$ 0.11	\$ 0.07

Condensed Interim Consolidated Statement of Equity

For the nine months ended September 30, 2018	Previously reported	Restatement	Restated
Deficit			
Balance, beginning of period	\$ (77,853,502)	\$ –	\$ (77,853,502)
Net loss	(1,034,200)	4,432,907	3,398,707
Balance, end of period	\$ (78,887,702)	\$ 4,432,907	\$ (74,454,795)

Condensed Interim Consolidated Statement of Cash Flows

For the nine months ended September 30, 2018	Previously reported	Restatement	Restated
Funds flow from operating activities	\$ 9,461,639	\$ 4,432,907	\$ 13,894,546
Change in non-cash working capital	27,418	–	27,418
Net cash from operating activities	9,489,057	4,432,907	13,921,964
Net cash used in financing activities	15,123,093	–	15,123,093
Net cash used in investing activities	(24,375,578)	(4,432,907)	(28,808,485)
Change in cash	\$ 236,572	\$ –	\$ 236,572

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair values of cash, trade and other receivables and trade and other payables are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At September 30, 2019 and December 31, 2018, the fair value of these balances approximated their carrying amount due to their short term to maturity. The fair values of bank debt are based on the discounted present value of future cash flows and approximate carrying amounts and the fair value of the contingent liability is determined using the Black-Scholes pricing model.

The Company's accounts receivable are primarily with industry partners and are subject to normal industry credit risks. The Company extends unsecured credit to these entities, and therefore, the collection of any receivables may be affected by changes in the economic environment or other conditions. Management believes the risk is mitigated by the financial position of the entities. To date, the Company has not participated in any risk management contracts or commodity price contracts.

NEW ACCOUNTING STANDARDS

IFRS 16 Leases

On January 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16") using the modified retrospective approach which does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption of IFRS 16, the Company's lease liabilities related to contracts classified as leases are measured at the discounted present value of the remaining minimum lease payments, excluding short-term and low-value leases. The right-of-use assets recognized were measured at amounts equal to the present value of the lease obligations. The weighted average incremental borrowing rate used to determine the lease liability at adoption was approximately 8%. The right-of-use asset and lease liability recognized relate to certain office premises and equipment in Argentina. The Company elected not to apply lease accounting to certain leases for which the lease term ends within 12 months of the date of initial application and leases of low dollar value assets.

The cumulative effect of initially applying IFRS 16 was recognized as a \$1,439,525 increase to right-of-use assets with a corresponding increase to lease liabilities.

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard:

- Use of a single discount rate to a portfolio of leases with similar characteristics;
- Accounting for leases with a remaining term of less than 12 months as at January 1, 2019 as short-term leases;
- Accounting for lease payments as an expense and not recognizing a right-of-use asset if the underlying asset is of low dollar value; and
- The use of hindsight in determining the lease term where the contract contains terms to extend or terminate the lease.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective January 1, 2019:

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability.

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.
- Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

SELECTED CONSOLIDATED QUARTERLY INFORMATION

The following table sets forth selected consolidated financial information of the Company for the periods presented.

Unaudited Three months ended:	September 30 2019	June 30 2019	March 31 2019	December 31 2018	September 30 2018	June 30 2018 (Restated)	March 31 2018	December 31 2017
Working capital (\$)	16,099,824	18,120,190	642,453	(1,562,992)	(4,974,493)	(7,626,412)	2,239,833	685,653
Oil and natural gas sales revenue (\$)	9,595,656	13,749,812	12,012,185	19,406,279	16,560,691	7,158,826	5,541,446	3,132,145
New Gas Incentive Program payments (\$)	–	–	–	–	–	–	–	616,721
Net income (loss) (\$)	(319,888)	(3,187,847)	2,978,175	2,567,130	4,074,610	(948,682)	272,779	(743,709)
Basic and diluted net income (loss) per share ⁽¹⁾ (\$)	(0.00)	(0.04)	0.04	0.04	0.06	(0.02)	0.01	(0.03)
Net cash from operating activities (\$)	3,752,375	3,629,514	6,050,373	7,713,567	4,516,249	7,366,472	2,039,243	2,294,650
Acquisition of St. Patrick (\$)	–	–	–	–	–	21,744,682	–	6,750,000
Cash ROFR Sale proceeds (\$)	–	17,536,795	–	–	–	–	–	–
Expenditures on property and equipment and E&E assets (\$)	1,809,292	2,024,277	1,944,770	171,576	6,511,775	2,569,933	123,704	653,287
Total assets (\$)	71,480,288	77,223,200	83,390,910	85,128,625	73,197,889	73,946,551	40,943,655	40,856,370
Bank debt (\$)	–	–	–	1,700,000	4,000,000	4,000,000	216,227	812,208

⁽¹⁾ The sum of quarterly per share amounts may not add to annual figures due to rounding.

- Net loss in Q3 2019 is lower than Q2 2019 mainly due to the loss on disposition of a participating interest in the TDF Concessions recognized in Q2 2019.
- Working capital decreased in Q3 2019 due mainly to the payment of dividends.
- Net income in Q2 2019 is lower than Q1 2019 mainly due to the loss on the disposition of a participating interest in the TDF Concessions and an increase in tax expense related to the taxation of the ROFR Sale by Argentine tax authorities.
- Working capital improved significantly in Q2 2019 due mainly to the ROFR Sale and funds flow from operating activities.
- Net income in Q1 2019 is comparable to Q4 2018 and is mainly due to results from operating activities, a decrease in finance expenses and recognition of a deferred tax recovery.
- Working capital improved in Q1 2019 due to funds flow from operating activities, the repayment of the loan outstanding as of December 2018 and the decrease in accounts payable.
- Net income decreased in Q4 2018 due to export taxes and the fair value adjustment on the contingent liability which were partially offset by higher sales of oil.
- Working capital deficit improved in Q4 2018 due to increase in cash and trade and other receivables related to the increase in oil sales.
- Net income in Q3 2018 is mainly due to higher sales of oil combined with an increase in the price of oil.
- Working capital improved in Q3 2018 due to the decrease in accounts payable combined with the increase in accounts receivable due to higher sales in Q3 2018.
- Net loss in Q2 2018 is mainly due to transaction costs related to the Acquisition of St. Patrick and current tax expense on taxable income in Argentina.
- Working capital decreased in Q2 2018 due to the increase in accounts payable related to the drilling campaign, current and withholding taxes payable and the current portion of contingent liability and loans obtained for the Acquisition of St. Patrick.
- Net income in Q1 2018 is mainly due to higher sales of inventoried volumes of oil in Q1 2018 and

- an increase in oil and natural gas prices.
- Working capital increased in Q1 2018 due to the collection of receipts for oil sales.

BUSINESS RISKS AND UNCERTAINTIES

Crown Point's production and exploration activities are conducted only in Argentina, where activity is highly competitive and includes a variety of different sized companies ranging from smaller junior producers to the much larger integrated petroleum companies. Crown Point is subject to various types of business risks and uncertainties, which may materially affect the Company's future financial and operating performance, including without limitation the following:

- risks associated with operations in emerging markets, including changes in energy policies or personnel administering them, nationalization of the Company's assets, the development and/or persistence of hyper-inflationary conditions, significant increases in interest rates, lack of availability of credit, currency fluctuations between the USD, the CDN and the ARS and/or devaluations of the ARS, monetary and currency exchange controls, export controls, commodity price controls, export taxes and changes in royalty and tax rates;
- the risks associated with the election of a new President of Argentina and the change of the federal Government of Argentina scheduled to take place in December 2019, including that economic, political and/or regulatory conditions arise as a result that are adverse to the Company and/or the oil and natural gas industry in Argentina;
- the risk that the Company's quarterly cash dividend program is changed, suspended or cancelled or that dividend payments thereunder are reduced, suspended or cancelled;
- the risks of the oil and gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- general economic conditions in Canada, Argentina and globally;
- the ability of management to execute its business plan;
- reliance on third party operators and joint venture partners to satisfy their commitments under existing agreements and arrangements and to carry out operations in a safe, efficient and effective manner;
- the risks of disputes with third party operators and joint venture partners and the effect that such disputes can have on the Company's operations and results;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom and the risk that the value of such reserves may be impaired in future periods;
- fluctuations in the price of oil and natural gas, interest rates and exchange rates;
- the risk that the Company will not be able to reduce its operating costs and thereby improve the return on its investments;
- lack of diversification of the Company's oil and gas interests;
- the impact of work disruption and labour unrest on the Company's operations;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;
- the ability to enter into, renew and/or extend leases and/or concessions;
- constraints on foreign subsidiaries to make payments to the Company;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures, including delays arising as a result of the Company's inability to obtain the necessary oilfield services required, including drilling and fracture stimulation equipment and related personnel, and delays arising as a result of the Company's inability to obtain the necessary governmental approvals, including regulatory approvals relating to the protection of the environment;
- the insufficiency of cash flow to fund operations;
- uncertainty of finding reserves and developing and marketing those reserves;
- unanticipated operating events, which could reduce production or cause production to be shut in or delayed;
- the ability of management to identify and complete potential acquisitions;
- if completed, the failure to realize the anticipated benefits of acquisitions;
- incorrect assessments of the value of acquisitions;
- ability to locate satisfactory properties for acquisition or participation;

- shut-ins of connected wells resulting from extreme weather conditions;
- insufficient storage or transportation or processing capacity for the Company's production, or the need to halt or restrict production while such facilities receive maintenance or repairs;
- hazards such as fire, explosion, blowouts, cratering and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- the failure to satisfy work commitments by the applicable deadline and the resulting loss of exploration and exploitation rights and, in the case of CLL, the resulting obligation to pay the value of such unsatisfied work commitments to the provincial government;
- the enforcement of civil liability in Argentina;
- risks associated with conflicting interests with partners;
- income tax reassessments and other taxes payable by the Company;
- the ability to add production and reserves through development and exploration activities;
- governmental regulation of the oil and gas industry, including the possibility that governments, government policies or laws, including laws and regulations related to the environment, may change in a manner that is adverse to the Company, or that governmental approvals may be delayed or withheld;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- risks associated with having a control person owning approximately 59.5% of the Company's shares and having two representatives on the board of directors, including the potential that the control person may exert a significant amount of influence over the Company's affairs and that the liquidity of the Company's common shares may decline;
- risks associated with having two shareholders who control approximately 74.7% of the Company's shares, including that the liquidity of the Company's common shares may decline;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel; and
- the availability of capital on acceptable terms to fund the Company's capital programs and acquisitions, including the ability of the Company to obtain new credit facilities, renegotiate the terms of such credit facilities and/or repay the principal and interest owing under its credit facilities.

For additional details of the risks relating to the Company's business, see the Company's most current Annual Information Form, which is available on SEDAR at www.sedar.com.

LEGAL, ENVIRONMENTAL, REMEDIATION AND OTHER CONTINGENT MATTERS

The Company reviews legal, environmental remediation and other contingent matters to both determine whether a loss is probable based on judgment and interpretation of laws and regulations, and determine that the loss can reasonably be estimated. When the loss is determined, it is charged to earnings. The Company's management monitors known and potential contingent matters and makes appropriate provisions by charges to earnings when warranted by circumstances.

NON-IFRS MEASURES

Non-IFRS measures do not have any standardized meanings prescribed by IFRS and may not be comparable with the calculation of similar measures used by other entities. Non-IFRS measures should not be considered alternatives to, or more meaningful than measures determined in accordance with IFRS as indicators of the Company's performance.

This MD&A contains the terms "funds flow from (used by) operating activities" and "funds flow per share – operating activities" which should not be considered alternatives to, or more meaningful than, net cash flow from (used by) operating activities and net cash flow per share – operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management uses funds flow from (used by) operating activities to analyze operating performance and considers funds flow from (used by) operating activities to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investment. Funds flow per share – operating activities is calculated using the basic and diluted weighted average number of shares for the period consistent with the calculations of earnings per share.

The Company reconciles funds flow from (used by) operating activities to net cash from (used by) operating activities, which is the most directly comparable measure calculated in accordance with IFRS as follows:

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Net cash from operating activities (\$)	3,752,275	4,516,249	13,432,262	13,921,964 ⁽¹⁾
Change in non-cash working capital (\$)	(1,345,799)	5,864,059	4,932,617	(27,418)
Funds flow from operating activities (\$)	2,406,576	10,380,308	8,499,645	13,894,546 ⁽¹⁾
Weighted average number of shares	72,903,038	72,903,038	72,903,038	51,950,657
Funds flow per share – operating activities	0.03	0.14	0.12	0.27 ⁽¹⁾

⁽¹⁾ Restated. See “Restatement of Comparative Figures” for details of the restatement.

This MD&A also contains other industry benchmarks and terms, including “operating netbacks” (calculated on a per unit basis as oil, natural gas and NGL revenues less export tax, royalties and operating costs), which is a non-IFRS measure. See “Results of Operations – Operating Netback” for the calculation of operating netback. Management believes this measure is a useful supplemental measure of the Company’s profitability relative to commodity prices. Readers are cautioned, however, that operating netbacks should not be construed as an alternative to other terms such as net income as determined in accordance with IFRS as measures of performance. Crown Point’s method of calculating this measure may differ from other companies, and accordingly, may not be comparable to similar measures used by other companies.

ABBREVIATIONS AND BOE PRESENTATION

The following abbreviations that may be used in this MD&A have the meanings set forth below:

3-D	-	three dimensional
API	-	American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale
bbl	-	barrel
bbls	-	barrels
BOE	-	barrels of oil equivalent
km	-	kilometres
km²	-	square kilometres
mcf	-	thousand cubic feet
mm	-	millimetres
mmcf	-	million cubic feet
NGL	-	natural gas liquids
Q1	-	three months ended March 31
Q2	-	three months ended June 30
Q3	-	three months ended September 30
Q4	-	three months ended December 31
UTE	-	Union Transitoria de Empresas, which is a registered joint venture contract established under the laws of Argentina
YPF	-	Yacimientos Petroliferos Fiscales S.A.

All BOE conversions in this MD&A are derived by converting natural gas to oil in the ratio of six mcf of gas to one bbl of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six mcf of gas to one bbl of oil (6 mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas in Argentina is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

ADVISORIES

Forward-Looking Information

This MD&A contains forward-looking information. This information relates to future events and the Company’s future performance. All information and statements contained herein that are not clearly

historical in nature constitute forward-looking information, and the words “may”, “will”, “should”, “could”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “propose”, “predict”, “potential”, “continue”, “aim”, “budget” or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company’s internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this MD&A may contain forward-looking information attributed to third party industry sources. Crown Point believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

This MD&A contains forward-looking information concerning, among other things, the following: under "Corporate Overview and Strategy", all elements of the Company’s business strategy in the TDF Concessions and CLL Permit, and certain planned future operations of the Company in furtherance of the Company's business strategy; under "Acquisition of St. Patrick Oil & Gas S.A. and Disposition of Participating Interest", the amount of contingent royalty payment; under "Operational Update – TDF Concessions", the operations that the Company intends to conduct on certain of its TDF Concession assets and the expected timing of certain operations, the Company's expectation that that it will finish repairs and compete LF-1029 and AS. X-1001 and that its prospect identification and evaluation will develop additional exploration, step-out and appraisal locations; under "Operational Update – CLL Permit", the operations that the Company intends to conduct on the CLL Permit and the anticipated timing and budget; under "Outlook – Capital Spending", our estimated capital expenditures for Q4 2019 and fiscal 2020, the allocation of such capital expenditures between our TDF Concessions and CLL Permit, the operational activities that we expect to complete during Q4 2019 and fiscal 2020, and our expectations for how we will fund our capital programs during these periods and the date on which the new Argentine President will begin his term and the effects therefrom; under "Results of Operations – Royalties", changes in commodity prices may increase royalty rates; under "Results of Operations – Operating Costs", rates for field personnel or trucking may be adjusted in the event of significant changes to the ARS and USD exchange rate; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks, our expectations for how we will fund our capital expenditure program in Q4 2019 and 2020 and the use of additional funds flow if more of the Company's properties become economic and productive; under "Liquidity and Capital Resources – Contingent Liability", the estimated net revenue used to calculate the fair value of the contingent liability; under "Commitments", the terms of the expenditure commitments in the TDF Concessions and the CLL Permit. Actual results achieved during the forecast period will vary from the information provided in this MD&A as a result of numerous known and unknown risks and uncertainties and other factors.

A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this MD&A including, but not limited to, the following: the risks and other factors described under “Business Risks and Uncertainties” in this MD&A and under “Risk Factors” in the Company’s most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com.

In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things: the impact of inflation rates in Argentina and the devaluation of the ARS against the USD on the Company; the amount of royalties that the Company will have to pay to the Vendor under the royalty agreement entered in to in connection with the Acquisition; the performance of St. Patrick and its underlying assets; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs thereon); the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company’s capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms when and if needed; the ability of the Company to service its debt repayments when required; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. In addition

to the foregoing, the Company has made assumptions regarding various matters relating to its quarterly dividend program, and as a result the amount of future cash dividends declared and paid by the Company, if any, will be subject to the discretion of the board of directors and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which the Company or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the credit facilities and other debt instruments of the Company and its subsidiaries), and the satisfaction of liquidity and solvency tests imposed by the *Business Corporations Act* (Alberta) for the declaration and payment of dividends. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this MD&A in order to provide investors with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this MD&A are expressly qualified by this cautionary statement.

The forward-looking information contained herein is made as of the date of this MD&A and the Company disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

Analogous Information

Certain information contained herein is considered "analogous information" as defined in National Instrument 51-101. In particular, this document describes certain information with respect to the existence of several large conventional oil pools surrounding the Company's 100% interest in the CLL Permit in the Province of Mendoza, particularly the fact that the lower Tertiary and upper Cretaceous sandstones are oil productive immediately north of the CLL Permit. Such analogous information has not been prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook and Crown Point is unable to confirm whether such information has been prepared by a qualified reserves evaluator. Such information is not intended to be a projection of future results. Such information is based on independent public data and public information received from other producers and Crown Point has no way of verifying the accuracy of such information. Such information has been presented to help demonstrate the basis for Crown Point's business plans and strategies. There is no certainty that such results will be achieved by Crown Point and such information should not be construed as an estimate of future reserves or resources or future production levels.

ADDITIONAL INFORMATION

Additional information regarding the Company, including the Company's most recently filed Annual Information Form, and its business and operations is available on the Company's profile at www.sedar.com. Copies of the information can also be obtained by contacting the Company at Crown Point Energy Inc., PO Box 1526 Station M, Calgary, Alberta, T2P 3B9, or by phone at (403) 232-1150, by email at info@crownpointenergy.com or on the Company's website at www.crownpointenergy.com.