

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 months and year ended December 31, 2020.

This MD&A is dated as of March 31, 2021 and should be read in conjunction with the Company's audited December 31, 2020 consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Effective January 1, 2020, the Company's wholly-owned subsidiaries Crown Point Energía S.A. and St. Patrick Oil & Gas S.A. ("**St. Patrick**") were amalgamated and continued under the name Crown Point Energía S.A. The audited December 31, 2020 consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Crown Point Energía S.A..

The functional currency of the Company's two 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 audited December 31, 2020 consolidated financial statements and other filings are available on SEDAR at www.sedar.com.

In the following discussion, the three months and year ended December 31, 2020 may be referred to as "Q4 2020" and "YE 2020" or "2020", respectively, and as "the 2020 periods" collectively. The comparative three months and year ended December 31, 2019 may be referred to as "Q4 2019" and "YE 2019" or "2019", respectively, and as "the 2019 periods" collectively. The previous three month period ended September 30, 2020 may be referred to as "Q3 2020".

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. At December 31, 2020, the Company's production was derived entirely from its participating interest in the Rio Cullen, Las Violetas and La Angostura exploitation concessions in TDF (the "**TDF Concessions**").

In March 2021, the Company was awarded, together with partner Petrolera Aconcagua Energía ("**Aconcagua**"), a 25 year exploitation license for the 40.6 km² Chañares Herrados producing oil block, located in the Cuyo Basin approximately 50 km south of Mendoza City, Province of Mendoza. The Company and Aconcagua each hold a 50% working interest in the concession which will be operated by Aconcagua. See the Subsequent Events 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.

COVID-19

In early March 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") to be a pandemic. Responses to the spread of COVID-19 have resulted in a significant disruption to business operations and a significant increase in economic uncertainty in Argentina and elsewhere, with more volatile commodity prices, currency exchange rates and a marked decline in long-term interest rates. These events have resulted in a volatile and challenging economic climate which has adversely affected the Company's operational results and financial position. The current economic climate has had and may continue to have significant adverse impacts on the Company, which may include, but are not limited to:

- material reductions in revenue and cash flows due to significantly reduced commodity prices;
- material reductions in revenue and cash flows and operating activities due to prolonged closure of offshore loading facilities, international borders and related delivery terminals, reduced capital programs and the shut-in of production, all of which could negatively impact the Company's ability to produce and sell oil;
- inability to access equity and/or debt financing;
- material declines in future revenue, which has resulted in impairment of property and equipment and goodwill and could result in additional impairment of property and equipment; and
- increased risk of non-performance by the Company's customers, joint venture partners and other contractual counterparties, which could materially increase collection risk of accounts receivable and the risk of counterparty defaults on contracts.

The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgements made by management in the preparation of the Company's audited December 31, 2020 consolidated financial statements are difficult and subject to a higher degree of measurement uncertainty during this volatile period.

OPERATIONAL UPDATE

TDF Concessions

La Angostura Concession

During Q4 2020, San Martin oil production averaged 2,069 (net 719) bbls of oil per day. Oil is now transported through the newly commissioned Company-owned oil pipeline (the "**San Martin oil pipeline**") connecting the field to the Cruz del Sur facility for storage and subsequent sale, negating the need for trucking and lowering transportation costs.

Las Violetas Concession

Natural gas production from the Las Violetas concession remained uninterrupted during the 2020 periods and during Q4 2020 averaged 13,395 (net 4,655) mcf per day. Oil produced in association with natural gas production is trucked to the San Martin field, blended with San Martin oil and transported via the San Martin oil pipeline to Cruz del Sur for storage and sale. During Q4 2020, oil production from the Las Violetas concession averaged 305 (net 106) bbls of oil per day.

CLL Permit

In February 2021, Mendoza Province issued Resolution N°6/2021 which extended the Period 3 term of the CLL Permit by one year to February 23, 2022 and confirmed that the CLL Permit area remains at 100,907 acres. The Company is committed to drilling one exploration well on the CLL Permit by February 22, 2022.

See the Commitments section of this MD&A.

OUTLOOK

Capital Spending

	Previous guidance for 2021	Updated guidance for 2021	Explanation
TDF Concessions (\$)	1.5 million	1.6 million	Revised estimate
CLL Permit (\$)	–	2.5 million	Period 3 required work commitment
Total capital expenditures (\$)	1.5 million	4.1 million	

The Company's capital spending for fiscal 2021 is budgeted at \$4.1 million based on expenditures for the following proposed activities in TDF and CLL:

- \$0.8 million in improvements to water handling facilities at San Martin to increase production capacity;
- \$0.8 million in other improvements to facilities in TDF; and
- \$2.5 million to drill one exploration well in CLL.

Investment in TDF has been significantly reduced due to a sharp decline in capital investment in Argentina as a consequence of the impact of the COVID-19 virus on both the Argentina and the global economy.

Crown Point expects to fund its capital spending, along with its other anticipated expenses, using cash held in bank accounts, cash flow from operations, new debt and/or equity financings and potential joint venture arrangements. See the Liquidity and Capital Resources section of this MD&A.

Argentina – COVID-19 and Economic Summary

In response to COVID-19, the federal government has closed the country's borders to non-residents. The mandatory country-wide quarantine period was suspended on November 2, 2020, with certain restrictions remaining in place. Economic activity remains low and inflation rates remain high.

COVID-19 continues to have the potential to further disrupt the Company's operations, projects and financial condition through, among other things, the disruption of the local or global supply chain and transportation services, or the loss of manpower resulting from quarantines that affect the Company's labour pools in local communities or operating sites which may require the Company to temporarily reduce or shut down its operations depending on their extent and severity.

Commodity Prices

Oil

Oil from the Company's TDF Concessions is sold at a discount to the Brent oil price. During Q4 2020 and YE 2020, the Company received an average of \$34.10 per bbl and \$36.79 per bbl, respectively, for its TDF oil, all of which was exported.

Natural gas

Crown Point can sell its natural gas production to both industrial and residential consumers. During Q4 2020 and YE 2020, the Company received an average of \$1.59 per mcf and \$2.07 per mcf, respectively, for its TDF natural gas, all of which was sold to the industrial market.

FINANCIAL INFORMATION

SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	December 31 2020	December 31 2019	December 31 2018
Working capital (deficit)	3,021,590	1,831,197	(1,562,992)
Exploration and evaluation assets	11,182,557	10,920,359	9,032,994
Property and equipment	16,358,182	31,151,688	54,750,958
Non-current contingent consideration receivable ⁽¹⁾	–	1,634,740	–
Total assets	33,687,340	55,638,052	85,128,625
Non-current financial liabilities ⁽²⁾	972,765	3,283,943	4,744,616
Share capital	56,456,328	56,456,328	131,745,215
Total common shares outstanding	72,903,038	72,903,038	72,903,038

(expressed in \$, except shares outstanding)	Three months ended December 31		Year ended December 31		
	2020	2019	2020	2019	2018
Oil and natural gas sales revenue	4,134,154	5,840,383	11,839,371	41,198,036	48,667,242
Impairment of property and equipment and goodwill	1,628,000	–	11,613,549	–	–
(Loss) income before taxes	(2,778,799)	(2,001,435)	(16,140,673)	4,927,624	10,027,122
Net (loss) income	(2,071,034)	1,896,669	(12,675,934)	1,367,109	5,965,837
Net (loss) income per share ⁽³⁾	(0.03)	0.03	(0.17)	0.02	0.10
Net cash (used by) from operating activities	(29,704)	(246,995)	(988,513)	13,002,163	21,635,531
Net cash per share – operating activities ⁽³⁾	(0.00)	(0.00)	(0.01)	0.18	0.38
Funds flow from operating activities ⁽⁴⁾	2,189,693	1,783,134	2,030,928	10,099,675	19,220,789
Funds flow per share – operating activities ⁽³⁾⁽⁴⁾	0.03	0.02	0.03	0.14	0.33
Cash dividends declared and paid per share	–	–	–	0.03	–
Weighted average number of shares	72,903,038	72,903,038	72,903,038	72,903,038	58,209,170

⁽¹⁾ The total amount of contingent consideration receivable at December 31, 2020 is \$70,116 (December 31, 2019 – \$2,367,389), all of which (December 31, 2019 – \$732,649) is classified as current.

⁽²⁾ Non-current financial liabilities are comprised of certain long-term trade and other payables and current taxes, lease liabilities and the contingent consideration liability. The total amount of lease liabilities at December 31, 2020 is \$805,689, of which \$166,256 is classified as current (December 31, 2019 – \$950,377 of which \$171,202 was classified as current). The total amount of contingent consideration liability outstanding at December 31, 2020 is \$nil (December 31, 2019 – \$3,652,693, of which \$1,147,925 was classified as current).

⁽³⁾ 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.

⁽⁴⁾ "Funds flow (used by) 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 December 31		Year ended December 31	
	2020	2019	2020	2019
Oil and gas revenue (\$)	23.93	33.57	23.06	40.60
Export tax (\$)	(0.56)	(1.77)	(0.68)	(2.69)
Royalties (\$)	(4.00)	(4.84)	(3.85)	(6.19)
Operating costs (\$)	(10.71)	(17.36)	(12.95)	(11.71)
Operating netback ⁽¹⁾ (\$)	8.66	9.60	5.58	20.01

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

Variations in the TDF operating netback for the 2020 periods as compared to the 2019 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 December 31		Year ended December 31	
	2020	2019	2020	2019
Light oil (bbls)	101,207	87,961	224,269	573,046
NGL (bbls)	200	488	793	3,560
Natural gas (mcf)	428,284	513,253	1,729,616	2,628,876
Total BOE	172,788	173,992	513,331	1,014,753
Light oil bbls per day	1,100	956	613	1,570
NGL bbls per day	2	5	2	10
Natural gas mcf per day	4,655	5,579	4,726	7,202
Total BOE per day	1,878	1,891	1,403	2,780

Sales revenue	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Light oil (\$)	3,451,271	4,804,163	8,250,362	31,720,649
NGL (\$)	3,325	9,155	13,356	61,208
Natural gas (\$)	679,558	1,027,065	3,575,653	9,416,179
Total sales revenue	4,134,154	5,840,383	11,839,371	41,198,036
Light oil per bbl (\$)	34.10	54.62	36.79	55.35
NGL per bbl (\$)	16.59	18.75	16.85	17.19
Natural gas per mcf (\$)	1.59	2.00	2.07	3.58
Total sales revenue per BOE (\$)	23.93	33.57	23.06	40.60

TDF Sales Volumes

During Q4 2020, the Company's average daily sales volumes were 1,878 BOE per day, higher than 1,240 BOE per day in Q3 2020 mainly due to the recommencement of oil sales following the re-opening of the Cruz del Sur facility. Lower Q4 2020 daily sales volumes than 1,891 BOE per day in Q4 2019 are due to lower production from natural gas wells due to natural decline rates and to lower oil production from SM x-1001 which experienced an increased water cut in January 2020 .

TDF sales volumes were weighted as follows:

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Light oil	59%	51%	44%	57%
NGL	0%	0%	0%	0%
Natural gas	41%	49%	56%	43%
Total	100%	100%	100%	100%

TDF Production Volumes

TDF average daily production volumes for Q4 2020 were 1,606 BOE per day, higher than 1,094 BOE per day in Q3 2020 mainly due to the restart of oil production from the San Martin field on September 4, 2020, and lower than 1,969 BOE per day in Q4 2019 mainly due to lower production from natural gas wells due to natural decline rates.

Production volumes	Three months ended		Year ended	
	December 31		December 31	
	2020	2019	2020	2019
Light oil (bbls)	75,890	95,132	191,006	638,330
NGL (bbls)	446	433	973	3,692
Natural gas (mcf)	428,284	513,253	1,729,616	2,628,876
Total BOE	147,717	181,107	480,248	1,080,168
Light oil bbls per day	825	1,034	522	1,749
NGL bbls per day	5	5	3	10
Natural gas mcf per day	4,655	5,579	4,726	7,202
Total BOE per day	1,606	1,969	1,313	2,959

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. Sales to Chile ceased with the onset of COVID-19 and the closure of the border. 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. As at December 31, 2020, all previously inventoried oil production had been sold as well as a portion of oil produced in Q4 2020, with excess oil production stored in inventory for sale in subsequent months.

For the year ended December 31	Oil				NGL			
	2020		2019		2020		2019	
	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day
Inventory, January 1	40,849		–		1,884		2,884	
Production	191,006	522	638,330	1,749	973	3	3,692	10
Sales	(224,269)	(613)	(573,046)	(1,570)	(793)	(2)	(3,560)	(10)
Disposition of participating interest	–		(24,435)		–		(1,132)	
Inventory, December 31	7,586		40,849		2,064		1,884	

TDF Revenues and Pricing

TDF revenue per BOE earned in Q4 2020 was approximately \$23.93 per BOE, higher than TDF revenue per BOE of \$21.34 earned in Q3 2020 due to an increase in oil sales combined with an increase in oil prices, and lower than \$33.57 per BOE earned in Q4 2019 due to a decrease in oil sales combined with an industry-wide decrease in commodity prices.

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. Historically, sales to the residential market earned a lower price than sales to the industrial market. However, in 2019, non-conventional shale gas production by other companies increased dramatically and this increase in production, coupled with a lack of demand due to an economic recession, drove down the industrial market gas price considerably.

The price earned by the Company on TDF natural gas sales in Q4 2020 averaged \$1.59 per mcf, lower than \$2.46 per mcf earned in Q3 2020 and lower than \$2.00 per mcf earned in Q4 2019. 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 Q4 2020, 100% of sales were to the industrial market at an average price of \$1.59 per mcf (Q3 2020 – 100% industrial at \$2.46 per mcf; Q4 2019 – 92% industrial at \$1.90 per mcf; 8% residential at \$2.95 per mcf).

Oil from Crown Point's TDF Concessions earned \$34.10 in Q4 2020, higher than \$30.99 per bbl earned in Q3 2020 due to an increase in the average price of Brent oil in Q4 2020 and lower than \$54.62 per bbl earned in Q4 2019, due to a decline in the average price of Brent oil resulting from a drop in global crude oil demand triggered by the impact of the COVID-19 virus on the global economy.

During Q4 2020, the Company earned \$16.59 per bbl on TDF NGL sales. The Company did not have any TDF NGL sales in Q3 2020. The price earned by the Company on TDF NGL sales was \$15.83 per bbl in Q2 2020 and \$18.75 per bbl in Q4 2019.

Export Tax

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Export tax (\$)	96,506	307,377	349,394	2,732,394
Export tax as a % of oil sales revenue	3%	6%	4%	9%
Export tax per BOE (\$)	0.56	1.77	0.68	2.69

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. In late December 2019, the maximum of 4 ARS per 1 USD of export sales revenue was lifted and the export tax rate was reduced to 8%.

In May 2020, a federal government decree set the price for Medanito light sweet crude oil at \$45 per bbl (the "**\$45 Barril Criollo**") (which was adjusted for each type of crude oil). While the \$45 Barril Criollo was in force from May 18 to August 27, 2020, export taxes on crude oil were 0%.

Export tax was reinstated at a variable rate on August 28, 2020 following the repeal of the \$45 Barril Criollo. The rate of export tax is determined by a formula based on the price of Brent oil, ranging from 0% when the price of Brent oil is at or below \$45 per bbl to a maximum of 8% when the price of Brent oil is at or higher than \$60 per bbl.

The Company recognizes export taxes related to oil sales to the export market.

Royalties

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Provincial royalties (\$)	691,307	842,049	1,977,169	6,281,807
Royalties as a % of total sales revenue	16.7%	14.4%	16.7%	15.2%
Royalties per BOE (\$)	4.00	4.84	3.85	6.19

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.

Royalties as a percentage of total sales revenue are higher in the 2020 periods than in the 2019 periods due to the sale of inventoried oil volumes in 2020 that were produced in 2019 and the first half of 2020 when oil sales prices were higher which therefore resulted in higher royalties, on a per BOE basis, attributed to their inventory value. The sale of inventoried oil in 2020 occurred at a lower oil price, thereby skewing the royalty rate as a percentage of total sales revenue for the 2020 periods.

Operating Costs

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Production and processing (\$)	1,673,998	1,713,392	5,347,865	8,015,668
Transportation and hauling (\$)	175,777	1,307,375	1,298,259	3,868,107
Total operating costs (\$)	1,849,775	3,020,767	6,646,124	11,883,775
Production and processing per BOE (\$)	9.69	9.85	10.42	7.90
Transportation and hauling per BOE (\$)	1.02	7.51	2.53	3.81
Operating costs per BOE (\$)	10.71	17.36	12.95	11.71

The Company incurs certain fixed operating costs regardless of the quantity of sales volumes. The increase in total operating cost per BOE in YE 2020 compared to YE 2019 is due to the decline in sales volumes which results in a higher fixed portion of operating costs per BOE in YE 2020. The decrease in total operating costs per BOE in Q4 2020 compared to Q4 2019 is mainly due to the decrease in transportation cost.

Production and processing costs per BOE are higher in YE 2020 than in YE 2019 due mainly to the decline in sales volumes and to higher delivery expenses charged at the terminal which more than offset the lowering of costs resulting from the devaluation of the ARS against the USD. During 2020, the ARS declined 40% 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 per BOE are lower in Q4 2020 than in Q4 2019 as oil sold in Q4 2020 was transported through the newly commissioned San Martin oil pipeline to the Cruz del Sur facility for storage and subsequent sale, negating the need for trucking and lowering transportation costs. During Q4 2019, all oil was trucked to Chile for sale due to delivery restrictions at the Cruz del Sur terminal.

During 2020, the Company and its participating interest partners implemented procedures to reduce the variable and fixed operating costs of producing properties in the TDF Concessions. These measures have begun to lower operating costs, however, the result is not reflected on a per BOE basis in YE 2020 due to lower sales volumes in YE 2020 as compared to YE 2019.

Gas Processing Income

The Company recognized \$158,218 and \$534,830 of gas processing income, in YE 2020 and YE 2019, respectively. Gas processing income recognized in YE 2019 included adjustments received from YPF for gas processing from December 2016 to 2018.

G&A Expenses

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Salaries and benefits (\$)	337,542	343,618	1,155,481	1,705,832
Professional fees (\$)	260,710	505,783	710,238	1,742,547
Office and general (\$)	130,179	197,636	299,238	380,509
Travel and promotion (\$)	20,258	66,176	65,070	208,152
	748,689	1,113,213	2,230,027	4,037,040

Salaries and benefits are lower in the 2020 periods than in the 2019 periods due in part to a reduction of certain benefits during the COVID-19 quarantine period, the temporary leave of an employee and the devaluation of the ARS against the USD which resulted in lower salary costs for Argentine employees.

However, the primary reason for the variance is that salaries and benefits in YE 2019 include bonuses paid to officers and employees, whereas no bonuses were paid in YE 2020.

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 lower in the 2020 periods than in the 2019 periods due mainly to a reduction in geological and engineering consulting fees.

Office and general expenses are lower in the 2020 periods than in the 2019 periods due to continued cost-savings measures.

Travel and promotion expenses include the cost of management's investor relations activities and travel between Argentina and Canada. Travel and promotion expenses are lower in the 2020 periods than in the 2019 periods as there were fewer trips between Argentina and Canada by management.

Depletion and Depreciation

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
TDF depletion (\$)	1,584,112	1,855,104	5,863,069	9,229,665
Depreciation (\$)	46,884	53,310	181,503	218,132
	1,630,996	1,908,414	6,044,572	9,447,797
TDF depletion rate per BOE (\$)	9.17	10.66	11.42	9.10

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 leasehold improvements and right-of-use assets.

The TDF depletion rate per BOE is higher in YE 2020 than YE 2019 due mainly to a decrease of the proved plus probable reserves estimated in the externally prepared December 31, 2020 reserve report as compared to the externally prepared December 31, 2019 reserve report. The decrease in proved plus probable reserves is attributable to a significant reduction in oil prices and domestic natural gas prices, a loss of reserves due to the onset of water production in the SM x-1001 well, and the absence of a drilling campaign in 2020 to replace 2020 oil and gas production.

The TDF depletion rate per BOE is lower in Q4 2020 as compared to YE 2020 due to the effect of the \$8.25 million impairment recognized in Q1 2020.

Depreciation expense is lower in the 2020 periods than in the 2019 periods due to certain assets reaching their fully-depreciated life combined with only minor asset additions in 2020.

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 and is recognized as share-based payment expense over the vesting terms of the stock options.

During 2020, the Company recognized \$167,033 of share-based payment expense as compared to \$466,414 recognized in 2019. As at December 31, 2020, the balance of unvested share-based payments was \$28,053.

Foreign Exchange Gain (Loss)

During Q4 2020 and YE 2020, the Company recognized foreign exchange loss of \$102,072 and foreign exchange gain of \$435,298, respectively, compared to a \$384,580 foreign exchange loss in Q4 2019 and a \$460,661 foreign exchange gain in YE 2019.

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. and Crown Point Energía S.A., is the USD. The presentation currency of Crown Point is the USD.

Foreign exchange gains (losses) reported in the consolidated statement of (loss) income and comprehensive (loss) income 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:	December 31 2020	December 31 2019
CAD to USD	0.7842	0.7714
ARS to USD	0.0119	0.0167
USD to ARS	84.0978	59.8700

(1) Source OFX (previously known as Canadian Forex Exchange)

In Crown Point, the translation of USD denominated foreign net monetary liabilities to CAD during 2020 resulted in a foreign exchange loss of approximately \$27,800 (2019 – \$113,000 foreign exchange loss).

Notwithstanding that the functional currency of the Company's Argentine subsidiary is the USD, a portion of monetary assets and liabilities such as accounts receivable, accounts payable and bank debt 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 subsidiary, the translation of ARS denominated net monetary liabilities to USD during 2020 resulted in a foreign exchange gain of approximately \$481,000 (2019 – \$573,000 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 subsidiary. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During 2020, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 19% (2019 – devaluation of ARS; lower by 25%).

During 2020, the devaluation of ARS resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding bank debt, by approximately \$565,000 (2019 – devaluation of ARS; reduction by approximately \$2,275,000).

The effect of currency devaluation on ARS denominated bank debt during 2020 was a \$371,106 reduction in the USD equivalent amount.

Net Finance Expense

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Interest income (\$)	11,162	55,544	52,990	278,834
Financing fees and bank charges (\$)	(80,662)	(66,871)	(256,888)	(811,892)
Interest on bank debt (\$)	(100,693)	–	(332,843)	(3,069)
Accretion of decommissioning provision(\$)	(29,189)	(34,267)	(106,226)	(157,259)
Interest on lease liabilities (\$)	10,049	(19,555)	(41,769)	(87,697)
Net finance expense (\$)	(189,333)	(65,149)	(684,736)	(781,083)

Interest income is earned on interest-earning bank accounts and is lower in the 2020 periods than in the 2019 periods due to the decrease in cash from \$2.7 million at December 31, 2019 to \$0.7 million at December 31, 2020.

Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers. Cash transfers were lower in the 2020 periods than in the 2019 periods.

Interest on bank debt is higher in the 2020 periods than in the 2019 periods as the Company obtained \$3.2 million and repaid \$1.5 million of bank debt during 2020. During 2019, the Company had \$1.7 million of bank debt which was repaid in January 2019. See the Liquidity and Capital Resources – Argentina Loans section of this MD&A.

Taxes

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Current tax (recovery) expense (\$)	(1,063,230)	(1,329,600)	(1,063,230)	7,410,296
Deferred tax (recovery) provision (\$)	355,465	(2,568,504)	(2,401,509)	(3,849,781)
Total tax (recovery) provision (\$)	(707,765)	(3,898,104)	(3,464,739)	3,560,515

The current tax recovery reported in the 2020 periods is primarily related to the difference between the estimated tax expense for 2019 and the final Argentine tax filings which were lower than the reported amount. Current tax expense reported in 2019 is related to taxable income in Argentina generated by the Company's Argentine subsidiary, Crown Point Energía S.A. The subsidiary was not taxable in 2020.

The deferred tax recovery recognized in YE 2020 is related to the reduction in the carrying amount of property and equipment and contingent consideration receivable combined with changes in the Company's ARS denominated tax pools and the effect of a reduction in the tax rate applied to certain temporary tax differences and the devaluation of the ARS during the year on the translation of ARS denominated tax pools to USD. As at December 31, 2020, the Company's deferred tax liability was \$1,078,214 (December 31, 2019 – \$3,479,723).

CAPITAL EXPENDITURES

The Company recognized the following additions in exploration and evaluation (“E&E”) assets during 2020 and 2019 related to CLL. In the latter part of 2019, the Company drilled two exploration wells, one of which was abandoned after the absence of hydrocarbons was confirmed. The costs associated with the abandoned well incurred in 2020 and 2019 were reclassified to E&E expense in the consolidated statement of (loss) income and comprehensive (loss) income.

	Year ended December 31	
	2020	2019
CLL cash expenditures (\$)	378,535	2,747,438
Reclassified to exploration and evaluation expense (\$)	(141,909)	(927,471)
Decommissioning revisions (\$)	25,572	67,398
CLL cash expenditures (\$)	262,198	1,887,365

The Company also recognized the following additions to property and equipment assets during 2020 and 2019:

	Year ended December 31	
	2020	2019
TDF drilling and completion (\$)	762,566	5,736,312
Corporate assets (\$)	6,942	104,565
Cash expenditures (\$)	769,508	5,840,877
Right-of-use-assets (\$)	–	1,439,525
Decommissioning revisions (\$)	85,272	1,576,491
Disposition of participating interest (\$)	–	(27,228,360)
	854,780	(18,371,467)

During 2020, the Company incurred \$762,566 of expenditures in the TDF area primarily related to the workover of the SM x-1001 well and facilities improvements.

During 2019, the Company incurred \$5,736,312 of expenditures in the TDF area primarily related to the re-fracture stimulations of SM a-1003 and LR x -1001, the installation of facilities at SM a-1002, workovers on four wells and the installation of the San Martin oil pipeline at SM x-1001.

IMPAIRMENT

Indicators of impairment

During March and April 2020, crude oil benchmark prices decreased substantially due to a drop in global crude oil demand triggered by the impact of the COVID-19 pandemic on the global economy and due to a breakdown in negotiations between OPEC and non-OPEC partners regarding proposed production cuts. Although crude oil prices have generally continued to improve since April 2020, the significant decline in crude oil prices that occurred in March and April 2020 and the ongoing low commodity price environment and volatility in crude oil prices may continue and could impact the Company's earnings and cash flows.

In addition to these factors, one of the Company's wells had a significant increase in its water cut in January 2020 which resulted in a notable decline in oil production. As at December 31, 2020, the decrease in the Company's proved plus probable reserves was also considered an indicator of impairment. These factors may recur and could impact the Company's earnings, cash flows and valuation of assets.

Property and equipment

Year ended December 31, 2020

During 2020, the Company identified indicators of impairment, as noted above, in relation to its TDF cash-generating unit ("CGU") and performed an impairment test at March 31, 2020 and at December 31, 2020. Management estimated the recoverable amount of the TDF CGU based on its value-in-use.

At March 31, 2020, the estimated recoverable amount for the TDF CGU was determined to be \$8.25 million lower than the March 31, 2020 carrying amount based on the 15% discounted after-tax cash flows expected to be derived from the TDF CGU's proved plus probable reserves from the internally prepared mechanical update of the externally prepared December 31, 2019 reserve report.

At December 31, 2020, the estimated recoverable amount for the TDF CGU was determined to be \$1.63 million lower than the December 31, 2020 carrying amount based on 15% discounted after-tax cash flows expected to be derived from the TDF CGU's proved plus probable reserves from the externally prepared December 31, 2020 reserve report.

In 2020, the Company recognized \$9.88 million of impairment in the consolidated statement of (loss) income and comprehensive (loss) income. Impairment of property and equipment may be reversed in future periods if there are indicators of reversal, such as an improvement in commodity price forecasts.

A 1% increase in the discount rate would result in \$0.05 million of additional impairment. A 5% decrease in commodity prices would result in \$1.4 million of additional impairment.

Year ended December 31, 2019

The Company identified indicators of impairment in relation to its TDF CGU as at December 31, 2019 and performed an impairment test. Management estimated the recoverable amount of the TDF CGU based on its value-in-use. The estimated recoverable amount for the TDF CGU was based on 15% discounted after-tax cash flows expected to be derived from the TDF CGU's proved plus probable reserves from the externally prepared December 31, 2019 reserve report. As at December 31, 2019, the estimated recoverable amount of the TDF CGU was determined to be higher than the carrying amount resulting in no impairment recognized in 2019.

A 1% increase in the discount rate would not result in any impairment. A 5% decrease in commodity prices would not result in any impairment.

Goodwill

Due to the identification of indicators of impairment in relation to its TDF CGU during Q1 2020, the Company performed an impairment test of goodwill. The recoverable amount of goodwill at March 31, 2020 based on the fair value less costs of disposal assessed at the CGU level was determined to be lower than the carrying amount of goodwill. The Company's key assumptions used in determining the fair value less costs of disposal include discounted net present value of the estimated future cash flows expected to arise from the continued use of the TDF CGU using a 15% discount rate. In Q1 2020, the Company recognized \$1.74 million of impairment in the consolidated statement of (loss) income and comprehensive (loss) income. Goodwill impairment cannot be reversed in future periods.

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 2020, the Company reported a net loss of \$12,675,934 and funds flow provided by operating activities of \$2,030,928. As at December 31, 2020, the Company had a \$3,021,590 working capital surplus (December 31, 2019 – \$1,831,197 working capital surplus), including \$654,743 of cash held in bank accounts.

The Company's capital expenditure budget for fiscal 2021 is estimated to be \$4.1 million comprised of \$1.6 million for ongoing improvements to facilities in TDF and \$2.5 million to drill one exploration well in CLL. Capital expenditure budgets reflect management's estimate of the minimum amount of capital expenditures necessary to fulfill the Period 3 expenditure commitment for the CLL Permit and keep the TDF Concessions operating smoothly given the uncertainty of depressed commodity prices, commodity price volatility and the impact the COVID-19 pandemic will have on the Argentine and global economies. The Company expects to meet these obligations, along with its other anticipated expenses, using cash held in bank accounts, cash flow from operations, new debt and/or equity financings and potential joint venture arrangements. For details of the Company's fiscal 2021 capital expenditure program, see the Outlook section of this MD&A.

The Company has future capital commitments to develop its properties as described in the Commitments section of this MD&A. 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 Consideration Liability and Receivable

As at December 31, 2019, the Company had a \$3,652,693 contingent consideration liability representing the estimated fair value of contingent royalty payments associated with the acquisition of St. Patrick in June 2018. Under the terms of the royalty agreement, the Company will make quarterly payments 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 2020, the Company made \$167,699 of cash royalty payments to the vendor of St. Patrick. As at December 31, 2020, the Company re-measured the fair value of the contingent consideration liability. The forecast net revenues based on the Company's externally prepared December 31, 2020 reserve report do not exceed the base net revenue for future quarters. As a result, the estimated fair value of the contingent consideration liability at December 31, 2020 was \$nil resulting in a fair value adjustment of \$3,484,994.

As part of the consideration for the disposition of a participating interest in the TDF Concessions pursuant to the applicable rights of first refusal that arose in connection with the acquisition of St. Patrick (the "ROFR Sale"), the purchasers will make future payments to the Company equal to their proportionate share of contingent royalty payments that accrue following closing of the ROFR Sale on April 26, 2019. As at December 31, 2019, the reported amount of the contingent consideration receivable for the purchasers' proportionate share of contingent consideration was \$2,367,389.

During 2020, the Company collected \$75,232 of cash royalty payments from the purchasers. As at December 31, 2020, the Company re-measured the fair value of the contingent consideration receivable. The forecast net revenues based on the Company's externally prepared December 31, 2020 reserve report do not exceed the base net revenue for future quarters. As a result, the estimated fair value of the contingent consideration receivable at December 31, 2020 was \$nil resulting in a fair value adjustment of \$2,222,041. The \$70,116 reported current portion of contingent consideration receivable related to the amounts receivable for the second and third quarters of 2019.

Argentina Loans

On January 10, 2020, the Company obtained an ARS 44 million (\$0.73 million) working capital loan from HSBC Bank Argentina S.A. ("**HSBC Loan 1**") at an interest rate of 49% per annum, calculated and payable monthly. The HSBC Loan 1 was to mature on April 10, 2020 but prior to the maturity date it was renewed for an additional 90 days to July 10, 2020. On April 29, 2020, the Company repaid ARS 8.8 million (\$0.13 million) of HSBC Loan 1 and renewed the remaining ARS 35.2 million (\$0.54 million) at an interest rate of 30% per annum, calculated and payable at maturity on August 27, 2020. On August 27, 2020, the Company repaid the remaining ARS 35.2 million (\$0.48 million) balance of HSBC Loan 1 plus ARS 3.4 million (\$0.05 million) of accrued interest.

On September 3, 2020, the Company obtained an ARS 35.2 million (\$0.47 million) working capital loan from HSBC Bank Argentina S.A. ("**HSBC Loan 2**") at an interest rate of 38.25% per annum, calculated and payable monthly, with a maturity date of March 2, 2021. On March 3, 2021, the Company repaid the loan in full plus ARS 0.96 million (\$0.01 million) of accrued interest.

On May 31, 2020, the Company obtained an ARS 15 million (\$0.22 million) working capital loan from Banco Hipotecario ("**Banco Hipotecario Loan 1**") at an interest rate of 24% per annum. 50% of the loan principal and ARS 7.5 million (\$0.1 million) of accrued interest was repaid on September 28, 2020 and the remaining loan principal and ARS 0.3 million (\$3,710) of accrued interest was repaid on November 27, 2020.

On June 9, 2020, the Company obtained an ARS 35 million (\$0.51 million) working capital loan from Banco Hipotecario ("**Banco Hipotecario Loan 2**") at an interest rate of 24% per annum. 50% of the loan principal and ARS 2.8 million (\$0.04 million) of accrued interest was repaid on October 7, 2020 and the remaining loan principal and ARS 0.7 million (\$8,880) of accrued interest was repaid on December 9, 2020.

On August 25, 2020, the Company obtained an ARS 50 million (\$0.68 million) working capital loan from Banco Hipotecario ("**Banco Hipotecario Loan 3**") at an interest rate of 24% per annum. 50% of the loan principal and ARS 3.9 million (\$0.05 million) of accrued interest was repaid on December 23, 2020 and the remaining loan principal and ARS 1 million (\$11,250) of accrued interest was repaid on February 22, 2021.

On December 17, 2020, the Company obtained an ARS 50 million (\$0.60 million) working capital loan from Banco Hipotecario ("**Banco Hipotecario Loan 4**") at an interest rate of 35% per annum. 50% of the loan principal and accrued interest will be repaid on April 16, 2021 and the remaining loan principal and accrued interest will be repaid on June 15, 2021.

Liminar Energia S.A. ("**Liminar**"), the Company's controlling shareholder, has provided a guarantee of the Banco Hipotecario loans for which the Company is charged a loan guarantee fee of 1% of the loan balance per annum.

UTE Operator Voluntary Reorganization Proceedings

On November 5, 2020, Roch S.A., the Argentine operator of the UTE governing the TDF Concessions, announced that it had filed for Concurso Preventivo de Acreedores (voluntary reorganization proceedings). Roch S.A. continues to operate the TDF Concessions and there have been no operational disruptions; among other things, oil and natural gas production and sales are continuing in the ordinary course. The Company will continue to monitor Roch S.A.'s voluntary reorganization proceedings with a view to determining what impact, if any, those proceedings might have on the UTE, the TDF Concessions and the Company and what steps, if any, the Company should take in response to the proceedings.

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 December 31, 2020, and the date of this MD&A, no revenue has been earned from the CLL Permit.

The TDF UTE (of which the Company is a member) sells 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 oil and gas revenue in 2020 (2019 – \$118,429 (ARS 4,774,529)) for its working interest share.

Mr. Pablo 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. Liminar owns approximately 59.5% of the Company's outstanding common shares. During 2020, the Company was charged \$40,000 (2019 – \$223,839) by Liminar for legal advisory services pursuant to a services agreement with an effective date of April 1, 2019 which was temporarily suspended on March 1, 2020.

From time to time Liminar, Mr. Peralta and others have guaranteed certain loans obtained by the Company in consideration of a loan guarantee fee. Liminar has provided a guarantee of the Banco Hipotecario Loans for which the Company is charged a loan guarantee fee of 1% of the loan balance per annum. During 2020, Liminar charged the Company \$7,408 of loan guarantee fees. During 2019, 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. Included in trade and other payables as at December 31, 2020 is \$nil (December 31, 2019 – \$24,200) payable to Liminar.

There were no other transactions between the Company and related parties of the Company during 2020.

SUBSEQUENT EVENTS

- On February 19, 2021, the Company obtained an ARS 25 million (\$0.28 million) working capital loan from Banco Hipotecario (“**Banco Hipotecario Loan 5**”) at an interest rate of 49.5% per annum. 50% of the loan principal and accrued interest will be repaid on June 19, 2021 and the remaining loan principal and accrued interest will be repaid on August 18, 2021.
- On February 22, 2021, the Company repaid ARS 25 million (\$0.28 million) of Banco Hipotecario Loan 3 plus ARS 1 million (\$11,250) of accrued interest.
- On February 23, 2021, the Company obtained an ARS 25 million (\$0.28 million) working capital loan from Banco Hipotecario (“**Banco Hipotecario Loan 6**”) at an interest rate of 49.5% per annum. 50% of the loan principal and accrued interest will be repaid on June 23, 2021 and the remaining loan principal and accrued interest will be repaid on August 22, 2021.
- On March 3, 2021, the Company repaid the ARS 35.2 million (\$0.39 million) HSBC Loan 2 plus ARS 0.96 million (\$0.01 million) of accrued interest.
- On March 11, 2021, the Company (50% WI), together with partner Aconcagua (50% WI), was awarded a 25 year exploitation license for the 40.6 km² Chañares Herrados producing oil block, located in the Cuyo Basin approximately 50 km south of Mendoza City, Province of Mendoza (the "Chañares Herrados Acquisition").

Under the terms of the exploitation license agreement, the joint venture will make a cash payment of

\$8.3 million (\$4.15 million net to Crown Point) to the Province, pay a 13% royalty on oil production and commit to a \$85.7 million (\$42.85 million net to Crown Point) ten year work program which includes well work overs, infrastructure optimization and a multi- well drilling program.

In January 2021, Chañares Herrados produced an average of approximately 84 m3 per day (528 bbls per day) of sweet medium gravity (32-34° API) crude oil. Producing wells exhibit low declines and an average water cut of 75%. Water is handled on site and disposed of in three field injection wells. An additional 20 oil wells are shut-in waiting on maintenance; most of these can be quickly restarted with minimal investment, which is expected to significantly increase production from the concession. The concession will be operated by Aconcagua.

- On March 25, 2021, the Company's wholly-owned subsidiary, Crown Point Energía, filed a short form base shelf prospectus (the "Prospectus") with the securities regulatory authorities in Argentina. The Prospectus allows Crown Point Energía to sell non-convertible debt securities in Argentina in the principal amount of up to \$75 million (or the equivalent in other currencies) during the five year period the Prospectus is effective.

Pursuant to the Prospectus, Crown Point Energía launched the offering of (i) Class I negotiable obligations, which will be guaranteed, denominated in USD to be integrated in ARS at the initial exchange rate and payable in ARS at the applicable exchange rate, at a fixed interest rate payable quarterly, maturing 36 months from the issue and settlement date, and (ii) Class II negotiable obligations, which will be guaranteed, denominated in ARS to be integrated and payable in ARS, at a variable interest rate payable quarterly, maturing 36 months from the issue and settlement date.

On March 30, 2021, Crown Point Energía closed on the issuance of \$3.38 million principal amount of Class I negotiable obligations and \$2.07 million (ARS 190 million) principal amount of Class II negotiable obligations for aggregate gross proceeds of \$5.45 million. Class I and Class II negotiable obligations were issued on March 31, 2021, are repayable in eight equal installments commencing on July 1, 2022 until the maturity date of March 31, 2024 and bear interest at 8% per annum and BALDAR Privados (currently 35%) plus 6.75% per annum, respectively.

The net proceeds of the financing will be used for general corporate purposes and to make investments for the development of new assets in Argentina.

SHARE CAPITAL

Issued and outstanding	Common Shares	Stock Options
December 31, 2019 and 2020 and date of MD&A	72,903,038	2,175,000

DIVIDENDS

The Company did not declare or pay any dividends during 2020. In December 2019, the board of directors suspended the Company's quarterly dividend payment until further notice.

COMMITMENTS

(a) TDF Concessions

As at December 31, 2020, 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 December 31, 2020 with respect to the TDF Concessions are as follows:

<u>Concession</u>	<u>Term of Expenditure Period</u>	<u>Required Expenditure Commitment</u>
Rio Cullen	Until August 2026	\$0.62 million, none of which was spent as of December 31, 2020

(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 December 31, 2020 required to be completed during the remaining exploration period:

<u>Period</u>	<u>Term of Exploration Period</u>	<u>Required Work Commitment</u> ⁽¹⁾
Period 3	February 22, 2022 ⁽²⁾	1 exploration well at an estimated cost of \$2.5 million

⁽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 3 work commitments.

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 December 31, 2020 and 2019, 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 values of the contingent consideration receivable and liability are 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.

SELECTED CONSOLIDATED QUARTERLY INFORMATION

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

Unaudited Three months ended:	December 31 2020	September 30 2020	June 30 2020	March 31 2020	December 31 2019	September 30 2019	June 30 2019	March 31 2019
Working capital (\$)	3,021,590	714,010	1,525,635	1,692,977	1,831,197	16,099,824	18,120,190	642,453
Oil and natural gas sales revenue (\$)	4,134,154	2,435,673	949,305	4,320,239	5,840,383	9,595,656	13,749,812	12,012,185
Net income (loss) (\$)	(2,071,034)	(1,276,965)	(651,385)	(8,676,550)	1,896,669	(319,888)	(3,187,847)	2,978,175
Basic and diluted net income (loss) per share ⁽¹⁾ (\$)	(0.03)	(0.02)	(0.01)	(0.12)	0.03	(0.00)	(0.04)	0.04
Net cash from (used by) operating activities (\$)	(29,704)	26,128	(506,003)	(478,934)	(246,995)	3,752,375	3,629,514	6,050,373
Cash ROFR Sale proceeds (\$)	–	–	–	–	–	–	17,536,795	–
Expenditures on property and equipment and E&E assets (\$)	154,169	100,907	110,154	782,813	2,809,976	1,809,292	2,024,277	1,944,770
Total assets (\$)	33,687,340	36,976,713	38,136,707	41,099,119	55,638,052	71,480,288	77,223,200	83,390,910
Bank debt (\$)	1,330,590	1,672,870	1,209,840	681,732	–	–	–	–

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

Significant quarter-over-quarter variances in net income (loss) and working capital are explained below:

- Working capital increased in Q4 2020 mainly due to the increase in oil sales and the recovery of current taxes.
- The reported net loss increased in Q4 2020 due mainly to the recognition of \$1.5 million of impairment related to the TDF CGU which was offset by the recovery of current taxes.
- Working capital decreased in Q3 2020 mainly due to the increase in bank debt and other current liabilities.
- The reported net loss increased in Q3 2020 mainly due to an increase in depletion and depreciation expense related to higher sales volumes.
- Working capital decreased in Q2 2020 mainly due to the increase in bank debt and the significant decline in oil and natural gas sales revenue.
- The reported net loss decreased in Q2 2020 due to impairment recognized in Q1 2020 offset by significantly lower oil and natural gas sales revenue and related operating costs.
- Working capital decreased in Q1 2020 mainly due to a reduction in the current portion of the net contingent consideration liability offset by bank debt.
- The Company incurred a net loss in Q1 2020 compared to net income in Q4 2019 due to lower oil and natural gas sales revenue and the recognition of \$10 million of impairment related to the TDF CGU and goodwill.
- Working capital decreased in Q4 2019 mainly due to the return of capital payment made to shareholders in December 2019.
- The Company reported net income for Q4 2019 mainly due to a reduction in current tax expense and a recovery of deferred taxes which offset the impact of lower oil and natural gas sales revenue.
- 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 mainly due to the payment of dividends.
- The Company reported a net loss in Q2 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.

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:

- the risk that global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19 (coronavirus), may adversely affect us by, among other things (i) reducing global economic activity thereby resulting in lower demand for crude oil, NGLs and natural gas, (ii) impairing our supply chain (for example, by limiting the manufacturing of materials or the supply of services used in our operations), (iii) affecting the health of our workforce and/or the workforce of our suppliers and/or customers, rendering employees unable to work or travel, thereby potentially impacting our ability to produce, transport and/or sell our crude oil, NGLs and natural gas, and (iv) rendering one or more of our customers, joint venture partners and/or other contractual counterparties insolvent or bankrupt and therefore unable to comply with their contractual obligations to us (see also COVID-19 and Argentina – COVID-19 and Economic Summary above);
- risks associated with the voluntary reorganization filing made by Roch S.A., the Argentine operator of the UTE governing the TDF Concessions, including the risk that Roch S.A.'s voluntary reorganization filing has an adverse effect on the UTE, the TDF Concessions and/or the Company;
- risks associated with the ability of OPEC, Russia and other oil and gas exporting nations to set and maintain production levels and influence prices for crude oil. For instance, at the outset of the COVID-19 pandemic, OPEC +, led by Saudi Arabia and Russia, initially failed to reach an agreement on constraining crude oil output to support global crude oil prices in the face of lower global demand arising from, among other things, the global response to the COVID-19 pandemic, which in turn resulted in certain OPEC member countries discounting prices on future crude oil deliveries and increasing crude oil supply in to the market, which contributed to the significant decline in crude oil prices around the globe;
- 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; the potential for a sovereign debt default; 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; commodity price controls; export controls; export taxes; changes in royalty and tax rates; and monetary and currency exchange controls, or exchange restrictions, as further discussed below;
- exchange restrictions imposed by the Central Bank of Argentina on the Company's subsidiaries from time to time, which may restrict, among other things: the payment of dividends and profits to the Company; the repatriation of funds from the Company; payments made to non-residents for the importation of goods; payments made to the Company for the importation of services; the funding of assets located outside of Argentina; and the obligation to settle certain transactions involving the receipt of foreign funds (i.e. USD) in ARS, including foreign funds obtained from the export of goods such as crude oil; all of which, among other things, may affect the ability of the Company's subsidiaries to obtain the foreign currency necessary to meet its financial obligations;
- the risk that the Company does not resume the payment of a quarterly cash dividend;
- 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, whether due to a change in well performance such as a well beginning to produce a significant amount of water after the effective date of the estimate, a material decline in commodity prices after the

- effective date of the estimate, or other developments;
- 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, the introduction of new taxes and changes in government regulations and incentive programs;
 - geological, technical, drilling and processing problems;
 - risks inherent in marketing operations, including credit risk;
 - the ability to enter into, renew and/or extend leases and/or concessions;
 - 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, 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, and delays arising as a result of a decline in commodity prices arising as a result of reduced demand for commodities and/or other factors;
 - 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, including the recently completed Chañares Herrados Acquisition;
 - incorrect assessments of the value of acquisitions, including the recently completed Chañares Herrados Acquisition;
 - 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 or while international borders are closed;
 - 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 its existing credit facilities and/or repay the principal and interest owing under its existing 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 (used by) from operating activities" and "funds flow per share – operating activities" which should not be considered alternatives to, or more meaningful than, net cash (used by) from operating activities and net cash per share – operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management uses funds flow (used by) from operating activities to analyze operating performance and considers funds flow (used by) from 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 (used by) from operating activities to net cash (used by) from operating activities, which is the most directly comparable measure calculated in accordance with IFRS as follows:

	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Net cash (used by) from operating activities (\$)	(29,704)	(246,995)	(988,513)	13,002,163
Changes in non-cash working capital (\$)	2,219,397	2,030,129	3,019,441	(2,902,488)
Funds flow (used by) from operating activities (\$)	2,189,693	1,783,134	2,030,928	10,099,675
Weighted average number of shares	72,903,038	72,903,038	72,903,038	72,903,038
Funds flow per share – operating activities (\$)	0.03	0.02	0.03	0.14

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
m³	-	cubic meters
mcf	-	thousand cubic feet
mm	-	millimetres
mmcf	-	million cubic feet
NGL	-	natural gas liquids
psi	-	pounds per square inch
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
WI	-	working interest
YPF	-	Yacimientos Petrolíferos 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 price of crude oil as compared to natural gas in Argentina from time to time may be different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis may be 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", "outlook" 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 and focus in the TDF Concessions and CLL Permit, future operations to be conducted by the Company in furtherance of such business strategy and focus, and the Company's expectations of the benefits to be derived from such business strategy and focus and related future operations; under "COVID-19", the anticipated impacts of COVID-19 and the current economic climate on the Company going forward; under "Operational Update", the Company's plans for future operations on its TDF Concessions and CLL Permit; under "Outlook – Capital Spending", our estimated capital expenditure budget for fiscal 2021, the capital expenditures that we intend

to make in our TDF Concessions and on our CLL Permit, and our expectations for how we will fund our capital expenditures and other expenses during such periods; under "Outlook – Argentina – COVID-19 and Economic Summary", the various ways in which COVID-19 might disrupt the Company and the impact such disruptions might have on the Company; under "Impairment – Indicators of impairment", the possibility that the significant decline in crude oil prices that occurred in March and April 2020 and the ongoing low commodity price environment and volatility in crude oil prices may continue and could impact the Company's earnings and cash flows, and the possibility that the SM x-1001 well could again experience high water cuts and a decline in oil production which could impact the Company's earnings, cash flows and valuation of assets; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks, our capital expenditure budget for fiscal 2021 and the expenditures we expect to make at TDF and CLL, the objectives of our capital expenditure budget, and our expectations for how we will fund our capital expenditure program and other expenses during these periods; under "Liquidity and Capital Resources – Contingent Consideration Liability and Receivable", our estimates of the fair value of the contingent consideration liability and contingent consideration receivable at December 31, 2020; under "Subsequent Events", our belief that most of the 20 shut-in oil wells on the Chañares Herrados concession can be quickly restarted with minimal investment and thereby significantly increase production from the concession; and under "Business Risks and Uncertainties", the business risks and uncertainties that we face and the potential impact such risks may have on the Company. 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. 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.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things: the impact (and the duration thereof) that the COVID-19 (coronavirus) pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas, and (iv) the ability of our customers, joint venture partners and other contractual counterparties to comply with their contractual obligations to us; the ability and willingness of OPEC+ nations, Russia and other major producers of crude oil to reduce crude oil production and thereby sustain higher global crude oil prices; that Roch S.A.'s voluntary reorganization filing will not have an adverse impact on its ability to operate the TDF Concessions, and therefore will not have an adverse impact on the UTE, the TDF Concessions and/or the Company; matters relating to the recently completed Chañares Herrados Acquisition, including the amount and timing of capital expenditures thereon, production rates therefrom and revenues to be derived therefrom; 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 of St. Patrick under the royalty agreement entered into in connection with the acquisition of St. Patrick and the ability of the Company to recover a portion of such royalties from its joint venture partners; 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 and government price controls 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 continued suspension of the Company's quarterly dividend for the foreseeable future; 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. 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.

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.