POINT LOMA

RESOURCES LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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This Management's Discussion and Analysis ("MD&A") of financial condition and results of operations is based on information available to May 29, 2017 and should be read in conjunction with Point Loma Resources Ltd.'s ("Point Loma" or the "Company") unaudited condensed interim financial statements ("financial statements") and the accompanying notes for the three months ended March 31, 2017. The MD&A should also be read in conjunction with the Company's audited financial statements and the Annual Information Form for the year ended December 31, 2016 as filed on SEDAR. This MD&A contains forward-looking information about the Company's current expectations, estimates, projections and assumptions. See the Assessment of Business Risks section for information on the risk factors that could cause actual results to differ materially and the assumptions underlying the Company's forward-looking information. Point Loma's management prepared the MD&A, while the Point Loma Board of Directors (the "Board") reviewed and recommended its approval.

Basis of Presentation

This MD&A and the financial statements and comparative information have been prepared in Canadian dollars ("CAD") and have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB").

Non-GAAP Measures

Certain financial measures in this document do not have a standardized meaning as prescribed by IFRS, such as funds from (used in) operations and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing the Company's ability to generate funds to finance its operations and information regarding its liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-GAAP measure is presented in the relevant sections of this MD&A.

The terms "funds from (used in) operations", "funds from (used in) operations per share" and "netback" in this MD&A are not recognized measures under GAAP. Management believes that in addition to net loss and cash flow from (used in) operating activities as defined by GAAP, these terms are useful supplemental measures to evaluate operating performance. Users are cautioned however, that these measures should not be construed as an alternative to net loss or cash flow from (used in) operating activities determined in accordance with GAAP as an indication of Point Loma's performance.

Management utilizes "funds from (used in) operations" as a key measure to assess the ability of the Company to generate funds necessary to finance operating activities and capital expenditures. Funds from (used in) operations is based on cash flow from (used in) operating activities before the change in non-cash working capital and transaction costs. The following table reconciles cash flow from (used in) operating activities to funds from (used in) operations:

	Three months ended March 31	
($ thousands)	**2017**	2016
Cash flow from (used in) operating activities	**340**	(106)
Change in non-cash working capital	**(401)**	88
Funds from (used in) operations	**(61)**	(18)

"Funds from (used in) operations per share" is calculated using the same weighted average number of shares outstanding used in earnings per share.

"Operating income" is defined as petroleum and natural gas revenue less royalties and operating and transportation expenses.

"Netback" is calculated on a boe basis and is determined by deducting royalties and operating and transportation expenses from petroleum and natural gas revenue. Netback is utilized by Point Loma to better analyze the operating performance of its petroleum and natural gas assets against prior periods.

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

ABOUT POINT LOMA RESOURCES LTD.

Point Loma Resources Ltd. ("Point Loma" or the "Company") is a publicly traded Canadian oil and gas company headquartered in Calgary, Alberta. Point Loma's activities relate to the exploration, development and production of conventional oil and natural gas in western Canada with an emphasis on the development of properties with a large volume of hydrocarbons in place with lower risk due to the presence of previously by-passed pay.

Point Loma was formed on June 28, 2016 through the reverse take-over of First Mountain Exploration Inc. ("First Mountain"), a publicly traded company incorporated on December 10, 2010, by Point Loma Energy Ltd. ("Point Loma Energy"), a private company incorporated on February 7, 2013. The transaction saw Point Loma Energy shareholders receive 4.3 common shares of First Mountain for each Point Loma Energy share held, after which First Mountain completed a 10-for-one share consolidation and changed the corporate name to Point Loma Resources Ltd. After giving effect to the transactions, Point Loma had approximately 21.3 million common shares outstanding of which former Point Loma Energy shareholders owned 85 percent and former First Mountain shareholders owned approximately 15 percent. As a result, this is accounted for as a reverse take-over of First Mountain by Point Loma Energy.

The comparative figures for the comparative three months ended March 31, 2016 reflect the results of operations for Point Loma Energy.

In the following discussion, the three months ended March 31, 2017 may be referred to as "Q1 2017", the comparative three months ended March 31, 2016 referred to as "Q1 2016", and the previous three months ended December 31, 2016 referred to as "Q4 2016".

Overview for Q1 2017

On January 16, 2017, the Company issued 1,250,000 common shares, at $0.42 per share, in exchange for all the common shares of Ascent Energy Ltd. ("Ascent"), a private oil and gas company. The acquired net assets contributed petroleum and natural gas revenues of $0.1 million and operating income of $nil since January 16, 2017.

On February 28, 2017, the Company issued 3,350,000 common shares, at $0.53 per share, to acquire oil and gas properties in the province of Alberta. The acquired net assets contributed petroleum and natural gas revenues of $0.8 million and operating income of $0.1 million since February 28, 2017.

Point Loma's exit rate production at December 31, 2016 was approximately 560 boe/d which increased to 830 boe/d for the month of March 2017 following the acquisitions described above combined with $0.1 million of capital expenditures on the Company's development and production assets.

Economic Environment

Selected Benchmark Prices and Exchange Rates [1]	Three months ended March 31		
	2017	2016	% Change
WTI oil (US$/bbl)	**51.90**	33.45	55
Canada Light Sweet (CAD$/bbl)	**64.74**	41.22	57
Henry Hub NYMEX (US$/MMbtu)	**3.06**	1.99	54
AECO natural gas (CAD$/Mcf)	**2.69**	1.83	47
CAD$/US$ exchange rate	**1.32**	1.37	(4)

(1) The benchmark prices do not reflect Point Loma realized sales prices. Prices and exchange rates presented above represent averages for the respective periods.

Global crude oil prices increased during Q1 2017 above the increases seen in Q4 2016 and over Q1 2016 prices which were the lowest of the 2016 year. Continued public statements regarding oversupply weighs heavily on the global pricing complex. This does not necessarily take into account increased production from OPEC and non-OPEC countries.

Although natural gas prices became stronger near the end of the 2016 year in association with a decline in the drilling of natural gas wells and a higher demand for natural gas both domestically and abroad, prices dropped off in Q1 2017 following an increase in US inventory levels which placed downward pressure on gas prices. In addition, at the end of Q1 2017, gas rig counts in the US had reached their highest levels since December 2015.

The Company recognizes the impact commodity price volatility has on its success as an oil and gas producer.

Going Concern and Capital Commitments

The financial statements have been prepared on the basis that the Company is a going concern and will continue to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. As at March 31, 2017, the Company had a working capital deficit and anticipates reasonable capital commitments in 2017 to develop its properties. The Company expects to operate within cash flow from operating activities and funds raised through debt and capital markets to develop its assets.

The Company's business is capital intensive and additional capital is required on a periodic basis. As part of its business plan, the Company regularly evaluates sources of funding including debt and equity. The current world-wide economic environment relating to the oil and gas industry has made access to capital challenging for many companies, Point Loma included. As a result, the Company is likely to continue to face liquidity challenges.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to access additional funding to meet its 2017 capital budget and commitments. Potential additional sources of capital include: (i) credit facilities on acceptable terms; (ii) proceeds from sale of non-core assets; and (iii) the issuance of equity or debt securities on acceptable terms. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern. See Subsequent Events and Liquidity and Capital Resources sections for further discussion of 2017 funding.

The need to raise capital to fund ongoing operations creates a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not reflect adjustments in the carrying values of the assets, liabilities, expenses and the statements of financial position classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

RESULTS OF OPERATIONS

Production

	Three months ended March 31	
	2017	2016
Crude oil (bbl/d)	**176**	–
NGLs (bbl/d)	**29**	–
Crude oil and NGLs (bbl/d)	**205**	–
Natural gas (mcf/d)	**2,263**	–
Boe/d	**582**	–
Percentage crude oil and NGLs production	**35%**	–

The Company's production averaged 341 boe/d during Q4 2016. The increase in daily production is due to production from the acquisitions described in the Overview for Q1 2017 section above.

Revenue

($ thousands)	Three months ended March 31 2017	2016
Crude oil	**854**	–
NGLs	**101**	–
Crude oil and NGLs	**955**	–
Natural gas	**560**	–
Total petroleum and natural gas revenue	**1,515**	–
Point Loma average prices		
Crude oil ($/bbl)	**53.92**	–
NGLs ($/bbl)	**39.43**	–
Crude oil and NGLs ($/bbl)	**51.89**	–
Natural gas ($/mcf)	**2.75**	–
Equivalent ($/boe)	**28.95**	–

Point Loma's realized crude oil price is 83 percent of the Canadian Light Sweet price for Q1 2017 due to the quality and transportation differential of crude oil produced.

During Q4 2016, the Company earned $0.6 million of crude oil and NGLs revenue at an average price of $48.18 per bbl and $0.3 million of natural gas revenue at an average price of $3.02 per mcf.

Royalties

($ thousands, except as indicated)	Three months ended March 31 2017	2016
Crown	**98**	–
Freehold and GORR	**93**	–
Total royalties	**191**	–
Percentage of revenue	**12.6%**	–
$/boe	**3.66**	–

Royalties are either paid or taken in kind and are owed to land and mineral rights owners and to the provincial government. The royalty terms of mineral rights and provincial rates impact the overall rate.

For the Q4 2016, the Company had a royalty rate of 18 percent on petroleum and natural gas revenues. Royalties as a percentage of revenue decreased in Q1 2017 due to lower crown royalty rates on natural gas production.

Expenses

($ thousands)	Three months ended March 31 2017	2016
Operating	**906**	2
Transportation	**54**	-
General and administrative	**397**	16
Transaction costs	**9**	-
Share-based payments	**109**	13
Depletion and depreciation	**436**	-
Finance expense, net	**185**	-
Total	**2,096**	31

($ per boe)	Three months ended March 31 2017	2016
Operating	**17.30**	–
Transportation	**1.04**	–
General and administrative	**7.57**	–
Transaction costs	**0.17**	–
Share-based payments	**2.08**	–
Depletion and depreciation	**8.33**	–
Finance expense	**3.54**	–
Total	**40.03**	–

Operating and Transportation

Operating expenses per boe for the first quarter of 2017 were high due to the general winter field conditions. The Q4 2016 operating expenses per boe of $26.81 were high due to the reactivation of suspended wells during a period of unseasonable wet field conditions. Future operating costs per boe are anticipated to be lower with wells operating on a regular basis and more favourable field conditions.

Transportation expenses are associated with the delivery and processing of petroleum and natural gas production to a sales point. The transportation cost per boe for the first quarter 2017 was $1.04. The Q4 2016 transportation cost per boe was $0.83.

On a go forward basis, the total 2017 operating and transportation expenses will increase as the operations of the Company commenced in the third quarter of 2016 and the acquisitions completed in 2017.

General and Administrative

General and administrative expenses of $0.4 million for Q1 2017 were higher compared to $16 thousand for Q1 2016 due to the commencement of operations in the third quarter of 2016. The Company anticipates the general and administrative costs per boe to be lower in future periods with the higher production achieved after a full period of production from the acquisitions completed in Q1 2017.

Transaction Costs

During Q1 2017, the Company incurred $9 thousand of transaction costs in respect of the acquisitions described in the Overview for Q1 2017 section above.

Share-based Payments

Under the Company's stock option plan, directors, officers, employees and certain consultants are eligible to receive options to acquire common shares of the Company.

- On June 28, 2016, 1,770,000 options were granted at an exercise price of $0.40 per common share.
- On December 1, 2016, the Company granted 565,000 stock options at an exercise price of $0.35 per common share.
- On March 22, 2017, the Company granted 100,000 stock options at an exercise price of $0.48 per common share.

Share-based payments expense for Q1 2017 relates to the above stock options for which a greater proportion of expense is recognized in the earlier portion of the vesting period. Stock-based payment expense for Q1 2016 relates to stock options granted by predecessor company Point Loma Energy which were cancelled following the reverse take-over on June 28, 2016.

Depletion is calculated based upon the assets acquired, capital expenditures incurred, future development costs associated with proved and probable reserves, production rates, and proved and probable reserves.

Finance Expense

The finance expense is comprised of $30 thousand of interest expense and $28 thousand of accretion on the convertible debentures and $127 thousand of accretion of decommissioning obligations. The accretion expense is associated with time value change of decommissioning obligations and convertible debenture liabilities.

NET LOSS, CASH FLOW FROM (USED IN) OPERATING ACTIVITIES AND FUNDS FROM (USED IN) OPERATIONS

	Three months ended March 31	
($ thousands, except per share amounts)	**2017**	2016
Net loss	**(772)**	(21)
$/share - basic [1]	**(0.03)**	(0.00)
Cash flow from (used in) operating activities	**340**	(106)
$/share - basic [1]	**0.01**	(0.01)
Funds used in operations	**(61)**	(18)
$/share - basic [1]	–	–

[1] There is no dilutive impact to the weighted shares number of common shares outstanding for the three months ended March 31, 2017 and 2016 as stock options, warrants and convertible debentures outstanding in each period were excluded as their effect is anti-dilutive.

For Q1 2017, the Company had a net loss of $0.8 million compared to $0.02 million Q1 2016. The increase in the 2017 loss was a result of higher general administration with the commencement of operations and higher depletion with oil and natural gas production.

The funds used in operations for Q1 2017 was $0.06 million (Q1 2016 – $0.02 million). The increase in funds used for 2017 was due to the start-up of operations and acquisition of producing properties.

CAPITAL EXPENDITURES

	Three months ended March 31	
($ thousands)	**2017**	2016
Exploration and evaluation (“E&E”) assets		
Land costs	**39**	34
Drilling and completions	**-**	66
Total E&E asset expenditures	**39**	100
Property, plant and equipment (“PPE”)		
Drilling and completions	**(68)**	–
Plant and equipment	**157**	–
Total PPE expenditures	**89**	–
Total capital expenditures [1]	**128**	102

[1] Expenditures exclude non-cash expenditures for decommissioning obligations.

E&E assets

E&E assets consist of the Company’s intangible exploration projects with pending determination of proven or probable reserves. Additions represent the Company’s share of costs incurred on E&E assets during the period plus the properties acquired. E&E assets are not depreciated or depleted.

PPE

During Q1 2017, the Company spent approximately $0.1 million on well completions and equipment. During Q4 2016, the Company spent $2.2 million for completions, pipelines and facility work on wells suspended prior to the June 2016 acquisition.

SHARE CAPITAL

	Common Shares	Warrants	Stock Options
December 31, 2016	27,353,325	28,737	2,335,000
Issued or granted	4,600,000	–	100,000
Exercised	8,094	(8,094)	–
March 31, 2017	31,961,419	20,640	2,435,000
Issued or granted	5,487,366	–	–
May 29, 2017	37,448,785	20,640	2,435,000

RELATED PARTY TRANSACTIONS

As at March 31, 2017, a director of the Company holds a $0.3 million convertible debenture. During the three months ended March 31, 2017, $6 thousand (three months ended March 31, 2016 – $nil) of interest expense was paid to the director. Following the end of the first quarter the debenture was converted to common shares as noted below in Subsequent Events.

OFF BALANCE SHEET ARRANGEMENTS

Point Loma does not have any special purpose entities nor is it a party to any arrangements that would be excluded from the balance sheet.

COMMITMENTS

As at March 31, 2017, the Company is committed to incur $1.6 million (December 31, 2016 – $1.6 million) of qualifying flow-through Canadian Exploration Expenses prior to December 31, 2017.

SUBSEQUENT EVENTS

The $0.65 million subordinated secured debenture was converted in full on April 12, 2017 at which time the Company issued 1,742,488 common shares.

On May 23, 2017, the Company closed a disposition of 20% of its oil and gas assets to Salt Bush Energy Ltd. for $4.17 million cash and an additional capital commitment of $0.83 million towards the current joint budget.

On May 24, 2017, the Company agreed to issue 8,375,000 common shares to Evenergy Company Limited in exchange for $4.02 million cash in two tranches. The first tranche closed on May 29, 2017 in the amount of $1.80 million in exchange for 3,744,878 shares at a price of $0.48 per share. The second tranche of funds will be in the amount of $2.22 million in exchange for 4,630,122 shares at a price of $0.48 per share, subject to TSXV approvals.

LIQUIDITY AND CAPITAL RESOURCES

Capitalization *($ thousands, except per share amounts)*		As at March 31 2017
Number of common shares outstanding		31,961,419
Market price per share ($/share) at March 31, 2017		0.46
Market capitalization	$	14,702
Working capital deficit		1,655
Convertible debentures		3,150
Total capitalization	$	19,507

Capital Funding

As at March 31, 2017, the Company had the following convertible debentures outstanding:

- $2.5 million subordinated secured debenture that bears interest at 3% per annum payable at the maturity date of June 28, 2021 and convertible into common shares of the Company at the option of the holder at a conversion price of $0.50 per share at any time prior to the maturity date. In the event that the 20 consecutive trading days' volume-weighted average price of the Company's common shares is greater than $0.75 per common share, the Company shall have the option to cause the conversion of the debenture on the same terms as the holders of the convertible debenture.

- $0.65 million subordinated secured debenture that bears interest of 7% per annum, payable monthly, with a maturity date of June 28, 2018. The debenture is pari passu to the issued $2.5 million convertible debenture previously noted. The convertible debenture is convertible into common shares of the Company at the option of the holder at a conversion price of $0.40 per common share at any time prior to the maturity date. In the event that the 20 consecutive trading days' volume-weighted average price of the Company's common shares is greater than $0.60 per common share, the Company shall have the option to cause the conversion of the debenture on the same terms as the as the holders of the convertible debenture.

On March 1, 2017, the Company's 20 day volume-weighted average market share price had exceeded $0.60 per share for 20 consecutive trading days. As a result, the Company notified the $0.65 million debenture holders that Point Loma has exercised its' option to convert the debentures plus accrued interest into common shares at the conversion price of $0.40 per common share. The $0.65 million subordinated secured debenture was converted in full on April 12, 2017 at which time the Company issued 1,742,488 common shares.

Liquidity

The Company relies on funds flow from operations and equity and debt securities issuances to fund its capital requirements and provide liquidity. During Q1 2017, the Company used $0.1 million of funds in operations and issued 4,600,000 common shares as consideration for acquisitions that contributed $0.1 million of operating income in Q1 2017.

As at March 31, 2017, the Company had a working capital deficit of $1.7 million.

Funds flow from operations will allow Point Loma to meet its short-term financial liabilities, as well as future capital requirements, at a reasonable cost. The Company believes it has sufficient funding and access to capital to meet its obligations as they come due and, if required, will consider selling non-core assets, additional short-term financing or issuing equity in order to meet its future liabilities.

ASSESSMENT OF BUSINESS RISKS

Point Loma management has identified the key risks, uncertainties and opportunities associated with Point Loma's business that can impact the financial result. They include, but are not limited to:

Volatility of Oil and Natural Gas Prices

Operational results and financial condition, and therefore the amount of capital expenditures are dependent on the prices received for crude oil and natural gas production. Decreasing crude oil and natural gas prices will reduce cash flow from operating activities, impacting Point Loma's level of capital expenditures and may result in the shut-in of properties. Differentials on Canadian crude oil have also shown significant volatility throughout recent years due to pipeline and infrastructure constraints. Any movement in crude oil and natural gas prices will have an effect on Point Loma's ability to continue with its capital expenditure program. Crude oil and natural gas prices are determined by economic and, in some circumstances, political factors. Supply and demand factors, including weather and general economic conditions as well as conditions in other crude oil and natural gas regions, impact prices. Point Loma may manage the risk associated with changes in commodity prices by entering into crude oil or natural gas price derivative contracts. If Point Loma engages in activities to manage its commodity price exposure, it may forego the benefits it would otherwise experience if commodity prices were to increase. In addition, commodity derivative contracts activities could expose the Company to losses. To the extent that Point Loma engages in risk management activities related to commodity prices, it will be subject to credit risks associated with counterparties with which it contracts.

Access to Capital Markets

Point Loma's capital expenditures are financed from funds from operations, borrowings, proceeds from property divestments and possible future equity issuances. Point Loma's ability to issue equity is dependent upon, among other factors, the overall state of capital markets and investor appetite for investments in the energy industry and Point Loma's securities. Further, if revenues or reserves decline Point Loma may not have access to the capital necessary to undertake or complete future drilling programs.

Additionally, Point Loma may issue additional common shares from treasury at prices which may result in a decline in production per common share and reserves per common share.

To the extent that external sources of capital become limited or unavailable or available on onerous terms, Point Loma's ability to make capital investments and maintain or expand existing assets and reserves may be impaired and Point Loma's assets, liabilities, business, financial condition and results of operations may be materially or adversely affected as a result.

Retention of Key Personnel

A loss in the key personnel of Point Loma could delay the completion of certain projects or otherwise have a material adverse effect on the Company. Shareholders are dependent on Point Loma's management and staff in respect of the administration and management of all manners relating to Point Loma's assets. Any deterioration of Point Loma's corporate culture could adversely affect Point Loma's long-term success.

Changes in Income Tax Legislation

In the future, income tax laws or other laws may be changed or interpreted in a manner that adversely affects the Company or its shareholders. Tax authorities having jurisdiction over Point Loma or its shareholders may disagree with how Point Loma calculates its income for tax purposes to the detriment of the Company and its shareholders.

Changes in Government Royalty Legislation

Provincial programs related to the crude oil and natural gas industry may change in a manner that adversely impacts shareholders. Point Loma is currently a licensed operator in Alberta, which has a royalty program that could be revised at any time. Future amendments to any royalty programs in any of Point Loma's current or future operating jurisdictions could result in reduced cash flow from operating activities.

In 2016, the provincial government of Alberta announced the key highlights of a proposed Modernized Royalty Framework ("MRF") that will be effective on January 1, 2017. The changes are not expected to have a material impact on Point Loma's go forward results.

Environmental Concerns and Changes in Environmental Legislation

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. A breach of such legislation may result in the imposition of fines or issuance of clean-up orders in respect of Point Loma or its working interests. Such legislation may be changed to impose higher standards and potentially more costly obligations to Point Loma. Furthermore, management believes the federal government appears to favor new programs for environmental laws and regulation, particularly in relation to the reduction of emissions, and there is no assurance that any such programs, laws or regulations, if proposed and enacted, will not contain emission reduction targets which Point Loma cannot meet. Financial penalties or charges could be incurred as a result of the failure to meet such targets. In particular there is uncertainty regarding the Federal Government's Regulatory Framework for Air Emissions ("Framework"), as issued under the Canadian Environmental Protection Act.

In the fourth quarter of 2015, the provincial government of Alberta released its Climate Leadership Plan which will impact all consumers and businesses that contribute to carbon emissions in Alberta. The Climate Leadership Plan is currently being assessed by management of Point Loma.

The use of fracture stimulations has been ongoing safely in an environmentally responsible manner in western Canada for decades. With the increase in the use of fracture stimulations in horizontal wells there is increased communication between the oil and natural gas industry and a wider variety of stakeholders regarding the responsible use of this technology. This increased attention to fracture stimulations may result in increased regulation or changes of law which may make the conduct of Point Loma's business more expensive or prevent Point Loma from conducting its business as currently conducted. Point Loma focuses on conducting its operations in a safe, responsible and transparent manner in the communities in which its people live and work.

Acquisitions

The price paid for acquisitions is based on engineering and economic estimates of the potential reserves made by independent engineers modified to reflect the technical views of management. These assessments include a number of material assumptions regarding such factors as recoverability and marketability of crude oil, natural gas, condensate and NGLs, future prices of crude oil, natural gas, condensate and NGLs, and operating costs, future capital expenditures and royalties and other government levies that will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the operators of the working interests, management and Point Loma. In particular, changes in the prices of and markets for crude oil, natural gas, condensate and NGLs from those anticipated at the time of making such assessments will affect the value of the shares. In addition, all such estimates involve a measure of geological and engineering uncertainty that could result in lower production and reserves than attributed to the working interests. Actual reserves could vary materially from these estimates. Consequently, the reserves acquired may be less than expected, which could adversely impact cash flow from operating activities.

QUARTERLY INFORMATION

	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Production								
Crude oil (bbls/d)	176	128	118	-	-	-	-	-
NGL's (bbls/d)	29	18	4	-	-	-	-	-
Natural gas (mcf/d)	2,263	1,171	618	-	-	-	-	-
Equivalent (boe/d)	582	341	225	-	-	-	-	-
Financial (000s unless othewise noted)								
Revenue	$ 1,515	$ 970	$ 629	$ -	$ -	$ -	$ -	$ -
Loss	(772)	(2,522)	(124)	(1,750)	(21)	(120)	(2,356)	(238)
Per share - basic and diluted (S/share)	(0.03)	(0.10)	(0.01)	(0.16)	-	(0.02)	(0.57)	(0.06)
Cash flow from (used in) operating activities	340	(168)	465	(925)	(106)	(257)	(19)	28
Funds flow from (used in) operations	(61)	(618)	(269)	(343)	(18)	438	(22)	(199)
Per share - basic and diluted (S/share)	-	(0.02)	(0.01)	(0.03)	-	0.07	(0.01)	(0.05)
Working capital (deficiency)	(1,655)	(1,491)	(608)	1,656	7	(47)	70	127
Total assets	38,998	19,046	18,590	15,462	3,225	4,120	3,037	5,349
Prinical amount of convertible debentures	$ 3,150	$ 3,150	$ 3,650	$ 3,650	$ -	$ -	$ -	$ -
Weighted average shares - basic	29,538	25,687	21,518	10,701	8,052	6,605	4,133	4,133
Common shares outstanding	31,961	27,353	21,630	21,306	8,311	7,573	4,133	4,133
Diluted shares outstanding	41,042	36,342	31,054	30,730	8,655	7,917	4,477	4,477

Company production commenced after the acquisition and reverse takeover of First Mountain was completed on June 28, 2016 and increased following the acquisition of Ascent on January 17, 2017 and the acquisition of oil and gas properties on February 28, 2017.

The net loss reflects the expensing of transaction costs related to the above acquisitions of $ 9 thousand in Q1 2017 and $1.4 million in Q2 2016 and the expensing of exploration and evaluation assets of $1.2 million in Q4 2016, $0.6 million in Q4 2015 and $2.3 million in Q2 2015.

DISCLOSURE CONTROLS AND PROCEDURES

As the Company is classified as a Venture Issuer under applicable securities legislation, it is required to file basic Chief Executive Officer and Chief Financial Officer Certifications, which it has done for the three months ended March 31, 2017. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109 as at March 31, 2017.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect," "anticipate," "continue," "estimate," "objective," "ongoing," "may," "will," "project," "should," "believe," "plans," "intends," "strategy," and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: Point Loma's financial goals, Point Loma's view of future crude oil, natural gas, condensate and NGLs, Point Loma's guidance for 2017, Point Loma's risk management plans for 2017, Point Loma 's view on the impact of the government of Alberta's recently announced Modernized Royalty Framework ("MRF") on its operations, the financing information relating to raising capital, Point Loma's estimates of normal course obligations and a number of other matters, including the amount of future asset retirement obligations, future liquidity and financial capacity, future results from operations and operating metrics, future costs, expenses and royalty rates, future interest costs, and future development, exploration, acquisition and development activities (including drilling plans) and related capital expenditures.

The forward-looking information and statements contained in this MD&A reflect several material factors and expectations and assumptions of Point Loma including, without limitation: that Point Loma will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Point Loma's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. Point Loma believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Point Loma's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Point Loma or by third-party operators of Point Loma's properties, increased debt levels or debt service requirements; inaccurate estimation of Point Loma's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time by Point Loma.

The forward-looking information and statements contained in this MD&A speak only as of the date of this MD&A, and Point Loma assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.