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, 2023.

This MD&A is dated as of and was approved by the Company's Board of Directors on March 11, 2024, and should be read in conjunction with the Company's audited December 31, 2023 consolidated financial statements (the "**Financial Statements**"). The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

The Company's 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.

Throughout this MD&A and in other materials disclosed by the Company, we adhere to IFRS Accounting Standards, however the Company also employs certain non-IFRS measures to analyze financial performance, financial position, and cash flow, including "operating netback". Additionally, other financial measures are also used to analyze performance. These non-IFRS and other financial measures do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures provided by other issuers. The non-IFRS and other financial measures should not be considered to be more meaningful than financial measures which are determined in accordance with IFRS Accounting Standards, such as net income (loss), oil and natural gas sales revenue and net cash provided by (used in) operating activities, as indicators of our performance. This MD&A also contains oil and natural gas information, abbreviations and forward-looking information relating to future events and the Company's future performance. Please refer to "Non-IFRS and Other Financial 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, 2023 consolidated financial statements and other filings are available on SEDAR+ at www.sedarplus.ca.

In the following discussion, the three months and year ended December 31, 2023 may be referred to as "**Q4 2023**" and "**YE 2023**" or "**2023**", respectively, and as "**the 2023 periods**" collectively. The comparative three months and year ended December 31, 2022 may be referred to as "**Q4 2022**" and "**YE 2022**" or "**2022**", respectively, and as "**the 2022 periods**", collectively. The previous three-month period ended September 30, 2023 may be referred to as "**Q3 2023**".

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 three producing basins in Argentina: the Austral basin in the Province of Tierra del Fuego ("**TDF**") and the Neuquén and Cuyo (or Cuyana) basins, 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 and Mendoza through exploration and development drilling supplemented by recompletion and fracture stimulation of select older producing wells. The Company's production is derived from its participating interest in the Rio Cullen, Las Violetas and La Angostura exploitation concessions in TDF (the "**TDF Concessions**"), the Chañares Herrados concession in Mendoza (the "**CH Concession**" or "**CH**") and the Puesto Pozo Cercado Oriental concession in Mendoza (the "**PPCO Concession**" or "**PPCO**"). CH and PPCO may be referred to collectively as the Mendoza Concessions.

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.

OPERATIONAL UPDATE

TDF Concessions

Crown Point and its joint venture partners are exporting oil by truck to the ENAP refinery at San Gregorio, Chile, and to the Total Austral facilities in Rio Cullen. Crude oil trucked to both San Gregorio and Rio Cullen is sold at a discount to the Brent oil price.

During Q4 2023, San Martin oil production averaged 424 (net 147) bbls of oil per day and natural gas production from the Las Violetas concession averaged 9,568 (net 3,323) mcf per day and oil production averaged 261 (net 91) bbls of oil per day.

Mendoza Concessions

During Q4 2023, several wells stopped producing due to mechanical failures. The UTE carried out workovers on ten oil wells in the CH Concession and on one oil well and one water disposal well in the PPCO Concession. Oil production for Q4 2023 averaged 868 (net 434) bbls of oil per day from the CH Concession and 169 (net 85) bbls of oil per day from the PPCO Concession.

CLL Permit

In February 2023, the Province of Mendoza issued Resolution N°208 which formally granted the CLL Permit over the CLL area for a term of 18 months until October 23, 2023.

The Company is in conversations with the Province of Mendoza for the extension of the CLL Permit or other alternatives for the CLL Permit, including the potential compensation of the Company's only outstanding commitment, consisting of a well repair, with working units performed by the Company in excess of what was otherwise required during the exploration period of the CLL Permit.

OUTLOOK

Capital Spending – Developed and Producing Assets included in Property and Equipment

	Previous guidance for 2024	Updated guidance for 2024	Explanation
TDF Concessions ($)	0.2 million	1.5 million	Workover activity
Mendoza Concessions ($)	19.8 million	11.9 million	Re-schedule of drilling plans
	20.0 million	13.4 million	

The Company’s capital spending on developed and producing assets for fiscal 2024 is budgeted at approximately $13.4 million based on expenditures for the following proposed activities:

- $1.5 million on a well workover and improvements to facilities in the TDF Concessions;
- $8.2 million to drill three vertical wells in the Mendoza Concessions;
- $1.9 million for well workovers in the Mendoza Concessions; and
- $1.8 million for facilities improvements and optimization in the Mendoza Concessions.

Capital Spending – Exploration and Evaluation Assets

The Company plans to spend $0.5 million on the testing of the gas bearing sandstone layers of the Neuquén Group at CLL during 2024.

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

Argentina – Economic Summary

On January 31, 2024, the Executive Board of the International Monetary Fund (**"IMF"**) completed the seventh review of the extended arrangement under the Extended Fund Facility for Argentina. The Board's decision enabled an immediate disbursement of approximately US$4.7 billion to support the government's upfront policy efforts and strong commitments to restore macroeconomic stability and help Argentina meet its balance of payments needs.

The Board also approved an extension of the arrangement through December 31, 2024, along with some rephasing of planned disbursements within the existing envelope of the program.

The rate of inflation reached 211.4% for the year ended December 31, 2023. Argentina's large imbalances and distortions worsened in the last quarter of 2023. Amid this difficult legacy – high and rising inflation, depleted foreign currency reserves, and high levels of poverty – the new administration of elected President Milei is taking steps to restore macroeconomic stability and begin to resolve long-standing impediments to growth. These initial measures avoided a balance of payments crisis, although the path to stabilization will be difficult.

Commodity Prices

Oil

Oil from the Company's TDF Concessions is sold at a discount to the Brent oil price. Oil from the Company's Mendoza Concessions is sold at a price negotiated with the customer. During Q4 2023 and YE 2023, the Company received an average of $63.24 per bbl and $67.56 per bbl, respectively, for its TDF oil, all of which was exported and $54.64 per bbl and $59.10 per bbl, respectively, for its oil from the Mendoza Concessions, all of which was sold to the domestic market.

Natural gas

Crown Point can sell its natural gas production to both industrial and residential consumers. During Q4 2023 and YE 2023, the Company received an average of $4.47 per mcf and $5.31 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 2023	December 31 2022	December 31 2021
Current assets	7,636,408	9,852,182	10,261,684
Current liabilities	(19,422,342)	(11,125,229)	(7,335,026)
Working capital (3)	(11,785,934)	(1,273,047)	2,926,658
Exploration and evaluation assets	14,103,353	14,115,555	12,210,949
Property and equipment	45,834,731	43,963,610	35,536,342
Total assets	67,785,665	68,183,547	58,308,535
Non-current financial liabilities (1)(3)	18,317,856	16,055,005	3,803,031
Share capital	56,456,328	56,456,328	56,456,328
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		
	2023	2022	2023	2022	2021
Oil and natural gas sales revenue	5,530,896	8,586,742	26,766,228	33,040,620	28,493,336
(Gain) loss on acquisition of working interest	–	1,046,626	–	–	(9,529,551)
(Reversal) Impairment of property and equipment	(3,050,000)	2,047,000	(3,050,000)	2,047,000	–
Income (loss) before taxes	(2,379,953)	(3,908,877)	(10,130,991)	(6,513,789)	9,481,353
Net income (loss)	(2,096,083)	(2,712,553)	(8,127,632)	(5,906,799)	9,774,753
Net income (loss) per share (2)	(0.03)	(0.04)	(0.11)	(0.08)	0.13
Net cash provided by operating activities	1,339,967	170,378	3,793,538	1,334,815	6,872,164
Net cash per share – operating activities (2)(3)	0.02	0.00	0.05	0.02	0.09
Funds flow provided by operating activities	2,109,498	146,773	1,608,310	3,022,382	7,374,555
Funds flow per share – operating activities (2)(3)	0.03	0.00	0.02	0.04	0.10
Weighted average number of shares - basic	72,903,038	72,903,038	72,903,038	72,903,038	72,903,038
Weighted average number of shares - diluted	72,903,038	72,903,038	72,903,038	72,903,038	73,014,895

(1) Non-current financial liabilities are comprised of the non-current portions of trade and other payables, notes payable and lease liabilities. The total amount of trade and other payables at December 31, 2023 is 7,248,650 of which $5,768,105 is classified as current (December 31, 2022 – $6,655,100 of which $6,107,607 was classified as current; December 31, 2021 – $4,705,709 of which $4,420,016 was classified as current). The total amount of notes payable at December 31, 2023 is $28,757,720, of which $12,298,533 is classified as current (December 31, 2022 – $14,542,382 of which $7,233 was classified as current; December 31, 2021 – $5,379,245, of which $2,169,965 was classified as current). The total amount of lease liabilities at December 31, 2023 is $865,168 of which $487,044 is classified as current (December 31, 2022 – $1,455,890, of which $483,527 was classified as current; December 31, 2021 – $319,913 of which $76,900 was classified as current).

(2) 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 in loss periods. Per share amounts may not add due to rounding.

(3) "Working capital" is a capital management measure. "Non-current financial liabilities" is a supplemental financial measure. "Net cash per share – operating activities" is a supplemental financial measure. "Funds flow per share – operating activities" is a supplemental financial measure. See "Non-IFRS and Other Financial Measures" for additional disclosures.

RESULTS OF OPERATIONS

Operating Netback

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Oil and natural gas sales revenue ($)	5,530,896	8,586,742	26,766,228	33,040,620
Export tax ($)	(125,304)	(179,346)	(503,268)	(1,071,563)
Royalties and turnover tax ($)	(961,852)	(1,470,529)	(4,519,702)	(5,677,638)
Operating costs ($)	(3,356,776)	(5,176,715)	(18,405,512)	(16,650,447)
Operating netback (1) ($)	1,086,964	1,760,152	3,337,746	9,640,972

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

Per BOE, except total BOE sales volumes	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Total BOE sales volumes	117,252	159,777	525,115	593,540
Oil and natural gas sales revenue ($)	47.17	53.74	50.97	55.67
Export tax ($)	(1.07)	(1.85)	(0.96)	(2.89)
Royalties and turnover tax ($)	(8.20)	(9.20)	(8.61)	(9.57)
Operating costs ($)	(28.63)	(32.40)	(35.05)	(28.05)
Operating netback (1) ($)	9.27	10.29	6.35	15.16

(1) "Operating netback per BOE" is a non-IFRS ratio. See "Non-IFRS and Other Financial Measures".

Variances in the operating netback for Q4 2023 and YE 2023 as compared to Q4 2022 and YE 2022 are explained by changes in sales volumes and revenues, export taxes, royalties and turnover tax and operating costs as detailed below.

Sales Volumes and Sales Revenues

Sales volumes	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Light oil (bbls)	77,291	108,629	334,136	381,395
NGL (bbls)	2,264	1,506	7,083	4,223
Natural gas (mcf)	226,179	297,852	1,103,377	1,247,529
Total BOE	117,252	159,777	525,115	593,540
Light oil bbls per day	840	1,181	915	1,045
NGL bbls per day	25	16	19	12
Natural gas mcf per day	2,458	3,238	3,023	3,418
Total BOE per day	1,275	1,737	1,438	1,627

Sales revenue	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Light oil ($)	4,459,600	7,290,056	20,677,089	27,308,225
NGL ($)	59,680	37,319	235,055	148,223
Natural gas ($)	1,011,616	1,259,367	5,854,084	5,584,172
Total sales revenue	5,530,896	8,586,742	26,766,228	33,040,620
Light oil per bbl ($)	57.70	67.11	61.88	71.60
NGL per bbl ($)	26.36	24.78	33.19	35.10
Natural gas per mcf ($)	4.47	4.23	5.31	4.48
Total sales revenue per BOE ($)	47.17	53.74	50.97	55.67

Sales Volumes

During Q4 2023, the Company's average daily sales volumes were 1,275 BOE per day, lower than 1,502 BOE per day in Q3 2023 and lower than 1,737 BOE per day in Q4 2022 mainly due to lower gas sales volumes in TDF Concessions in Q4 2023 combined with lower oil sales in both the TDF Concessions and the Mendoza Concessions.

Sales volumes were weighted as follows:

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Light oil	66%	68%	64%	64%
NGL	2%	1%	1%	1%
Natural gas	32%	31%	35%	35%
Total	100%	100%	100%	100%

Production Volumes

Average daily production volumes for Q4 2023 were 1,344 BOE per day, lower than 1,452 BOE per day in Q3 2023 and lower than 1,552 BOE per day in Q4 2022 mainly due to lower production volumes in the San Martin field in the TDF Concessions caused by the increase in water production and the interventions needed to stabilize the oil production combined with the natural decline rates on natural gas wells.

Production volumes	Three months ended December 31 2023	2022	Year ended December 31 2023	2022
Light oil (bbls)	70,418	91,226	321,717	411,961
NGL (bbls)	2,343	1,883	6,844	4,371
Natural gas (mcf)	305,776	297,852	1,182,975	1,247,529
Total BOE	123,724	142,751	525,723	624,254
Light oil bbls per day	765	992	881	1,129
NGL bbls per day	25	20	19	12
Natural gas mcf per day	3,324	3,238	3,241	3,418
Total BOE per day	1,344	1,552	1,440	1,711

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

Oil production from the Mendoza Concessions is sold to the domestic market and may be stored and then trucked to the delivery point in Tupungato, Mendoza.

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

As at December 31, 2023, all previously inventoried oil production had been sold as well as a portion of oil produced in Q4 2023, with excess oil production stored in inventory for sale in subsequent months.

For the year ended December 31	Oil				NGL			
	2023		2022		2023		2022	
	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day
Inventory, January 1	39,364		8,480		2,446		2,298	
PPCO acquisition, July 1, 2022	–		318		–		–	
Production	321,717	881	411,961	1,129	6,844	19	4,371	12
Sales	(334,135)	(915)	(381,395)	(1,045)	(7,083)	(19)	(4,223)	(12)
Inventory, December 31	26,946		39,364		2,207		2,446	

All of the Company’s natural gas production is usually sold in the period produced, therefore natural gas sales volumes have historically equalled production volumes. However, during Q4 2023, a portion of natural gas production was not sold due to the drop in demand combined with the drop in natural gas spot prices and was included in inventory.

For the year ended December 31	Natural gas			
	2023		2022	
	mcf	mcf per day	mcf	mcf per day
Inventory, January 1	–		–	
Production	1,182,975	3,241	1,247,529	3,418
Sales	(1,103,377)	(3,023)	(1,247,529)	(3,418)
Inventory, December 31	79,598		–	

Revenues and Pricing

Revenue per BOE earned in Q4 2023 was approximately $47.17 per BOE, lower than revenue per BOE of $53.54 earned in Q3 2023 due mainly to the decrease in gas prices, and lower than $53.74 per BOE earned in Q4 2022 due to a year-over-year decrease in domestic and export oil prices.

The price earned by the Company on TDF natural gas sales in Q4 2023 averaged $4.47 per mcf, lower than $6.77 per mcf earned in Q3 2023 and higher than $4.23 per mcf earned in Q4 2022. 100% of sales were to the industrial market in both the 2023 periods and 2022 periods. The price of natural gas earned by the Company varies with price fluctuations within the industrial market.

Oil from Crown Point's concessions earned $57.70 per bbl in Q4 2023, lower than $61.13 per bbl in Q3 2023 and $67.11 per bbl in Q4 2022 due to a decrease in oil prices for domestic and export oil sales.

During Q4 2023, the Company earned $26.36 per bbl on TDF NGL sales as compared to $24.00 per bbl earned in Q3 2023 and $24.78 per bbl earned in Q4 2022.

Export Tax

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Export tax ($)	125,304	179,346	503,268	1,071,563
Export tax as a % of TDF oil sales revenue	7%	5%	7%	8%
TDF export tax per BOE ($)	1.07	1.85	0.96	2.89

The Government of Argentina imposes an export tax on all goods exported from Argentina. The Company recognizes export taxes related to TDF oil sales to the export market. 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.

Royalties and Turnover Tax

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Provincial royalties and turnover tax ($)	961,852	1,470,529	4,519,702	5,677,638
Royalties and turnover tax as a % of total sales revenue	17.4%	17.1%	16.9%	17.2%
Royalties and turnover tax per BOE ($)	8.20	9.20	8.61	9.57

The base royalty rate for revenue from the TDF Concessions is 15% plus turnover tax 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 domestic sales which carry a 1% royalty.

Under the terms of the CH exploitation license agreement, the Company pays a 13% royalty on oil production from the CH Concession plus turnover tax at an average rate of 3% on revenues.

Under the terms of the PPCO exploitation license agreement, the Company pays an 18.2% royalty on oil production from the PPCO Concession plus turnover tax at an average rate of 3% on revenues.

Operating Costs

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Production and processing ($)	2,709,301	3,991,434	15,013,343	13,590,235
Transportation and hauling ($)	647,475	1,185,281	3,392,169	3,060,212
Total operating costs ($)	3,356,776	5,176,715	18,405,512	16,650,447
Production and processing per BOE ($)	23.11	24.98	28.59	22.90
Transportation and hauling per BOE ($)	5.52	7.42	6.46	5.15
Operating costs per BOE ($)	28.63	32.40	35.05	28.05

Production and processing costs per BOE in Q4 2023 are lower than in Q4 2022, mainly due to the devaluation of the ARS, particularly in the last half of December 2023. Production and processing costs per BOE in YE 2023 are higher than those incurred YE 2022, mainly due to a greater quantity of well repair services required in both the TDF and Mendoza Concessions and cost increases related to labor, supervision and repairs and maintenance combined with a decrease in sales volumes which increased fixed costs per BOE.

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 2023 than in Q4 2022 due to the devaluation of the ARS, particularly in the last half of December 2023, and are higher in YE 2023 than in YE 2022 mainly due to the cost of trucking oil to the Enap refinery at San Gregorio, Chile.

Gas Processing Income

During Q4 2023 and YE 2023, the Company recognized $60,512 and $252,170 respectively, of gas processing income as compared to $60,301 and $232,493 during Q4 2022 and YE 2022, respectively.

G&A Expenses

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Salaries and benefits ($)	347,992	362,750	1,526,899	1,852,981
Professional fees ($)	274,629	552,310	767,764	1,124,690
Office and general ($)	98,373	76,086	426,658	445,779
Travel and promotion ($)	28,127	12,189	76,039	150,364
	749,121	1,003,335	2,797,360	3,573,814

Salaries and benefits are lower in the 2023 periods due mainly to the devaluation of the ARS combined with a retirement allowance and bonuses paid during the 2022 periods, whereas there were no such payments during the 2023 periods.

Professional fees include reserve reports fees, consulting fees for financial reporting and investor relations services, legal and consulting fees related to assistance with the preparation of various documents for regulatory compliance and consulting fees related to geological and engineering assistance. Professional fees are lower in the 2023 periods than in the 2022 periods due mainly to a reduction in legal services.

Office and general expenses in YE 2023 are comparable to those in YE 2022.

Travel and promotion expenses are lower in YE 2023 than in YE 2022 periods due mainly to reduced travel between Canada and Argentina. The variance between Q4 2023 and Q4 2022 is due to the timing of travel.

Fair Value Adjustment of Contingent Consideration

During 2023, the Company reported a $689,130 fair value adjustment loss of contingent consideration (2022 – $1,088,980 gain) comprised of the following:

Contingent consideration liability:

Acquisition of St. Patrick Oil & Gas S.A.

Pursuant to the 2018 acquisition of St. Patrick Oil & Gas S.A. ("St. Patrick"), the Company will make quarterly payments to the vendor until December 31, 2027 equal to 10% of the amount by which net revenue (oil and gas revenue less provincial royalties) received by the Company in respect of St. Patrick's 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 received by the Company in respect of St. Patrick's participating interest do not exceed the base net revenue threshold for that quarter, then no royalty payment will be payable.

The forecast net revenues based on the externally prepared December 31, 2023 reserve reports exceed the base net revenue for future quarters (2022 reserve reports did not exceed the base net revenue for future quarters). As a result, the estimated fair value of the contingent consideration liability at December 31, 2023 is $134,100 (2022 – $nil). This contingent consideration liability is included in the non-current portion of trade and other payables.

As at December 31, 2023, the Company estimated the contingent consideration liability related to actual results for 2023 to be $nil (2022 actual results – $219,888), resulting in a fair value adjustment of $nil (2022 – $138,629).

Acquisition of working interest

On July 1, 2022, the Company recognized a liability of $1,549,353 representing the estimated fair value of the contingent consideration liability associated with the acquisition of the 50% working interest in the PPCO Concession. The fair value of the contingent consideration liability as at July 1, 2022 was estimated based on $3.6 million of undiscounted cash flows over 21 years at a discount rate of 15.4%.

As at December 31, 2023, the Company re-measured the fair value of the contingent consideration liability at $1,054,730 (2022 – $412,180) resulting in a fair value adjustment of $642,550 (2022 – $1,137,173).

Contingent consideration receivable:

As part of the consideration for the disposition of a participating interest in the TDF Concessions to the Company's UTE partners on April 26, 2019, the UTE partners will make future payments to the Company equal to their proportionate share of contingent royalty payments that accrue following the closing of the sale and that are payable by the Company pursuant to the acquisition of St. Patrick (described above).

The forecast net revenues based on the externally prepared December 31, 2023 reserve report exceed the base net revenue for future quarters (2022 – forecast net revenues based on the externally prepared reserve report did not exceed the base net revenue for future quarters). As a result, the estimated fair value of the contingent consideration receivable at December 31, 2023 is $87,520 (2022 – $nil).

As at December 31, 2023, the Company estimated the contingent consideration receivable related to actual results for 2023 to be $nil (2022 actual results – $86,022), resulting in a fair value adjustment of $nil (2022 – $90,436). The contingent consideration receivable is included in trade and other receivables.

Depletion and Depreciation

	Three months ended December 31		**Year ended December 31**	
	2023	**2022**	**2023**	**2022**
Depletion ($)	1,837,185	2,269,363	7,139,237	7,140,360
Depreciation ($)	146,394	26,041	568,665	107,807
	1,983,578	2,295,404	7,707,901	7,248,167
Depletion rate per BOE ($)	15.67	14.20	13.60	12.03

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 depletion rate per BOE is higher in the 2023 periods than in the 2022 periods due mainly to the increase in future development cost needed for developing the petroleum and natural gas proved and probable reserves.

The depletion expense calculation for the year ended December 31, 2023 included $76.2 million (2022 – $59.9 million) for estimated future development costs associated with petroleum and natural gas proved and probable reserves in Argentina.

Depreciation expense is higher in YE 2023 than in YE 2022 due to depreciable asset additions during 2022 periods.

Share-based Payments

During Q4 2023 and YE 2023, the Company recognized $nil and $16,148 (Q4 2022 and YE 2022 – $9,772 and $74,733), respectively, of share-based payment expense. As at December 31, 2023, the balance of unvested share-based payments was $nil.

Foreign Exchange Gain (Loss)

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 as at:	December 31 2023	December 31 2022
CAD to USD [1]	0.7561	0.7383
ARS to USD [2]	0.0012	0.0056
USD to ARS [2]	806.95	177.06

[1] Source Bank of Canada [2] Source BNA (National Bank of Argentina)

In Crown Point, the translation of USD denominated foreign net monetary liabilities to CAD during 2023 resulted in a foreign exchange loss of approximately $41,300 (2022 – $63,900 foreign exchange gain).

Notwithstanding that the functional currency of the Company’s Argentine subsidiary is the USD, a portion of monetary assets and liabilities such as certain accounts receivable, accounts payable and loans 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 2023 resulted in a foreign exchange gain of approximately $2,052,900 (2022– $629,600 foreign exchange loss).

Currency devaluation in Argentina partially impacts the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiary. A portion of the Company's operating costs and general and administrative expenses incurred in Argentina are denominated in ARS and are also subject to inflation adjustments. During 2023, the devaluation of ARS resulted in lower operating costs and general and administrative expenses incurred in Argentina by approximately 26% (2022– devaluation of ARS; lower by 25%), offset by cost increases related to inflation.

During 2023, the devaluation of ARS resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding loans and notes payable, by approximately $1.2 million (2022 – devaluation of ARS; reduction by approximately $1.1 million).
The effect of currency devaluation on ARS denominated loans during 2023 was a $3.1 million reduction in the USD equivalent amount (2022 – $2.3 million reduction in the USD equivalent amount of loans and notes payable).

Net Finance Expense

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Interest income ($)	436,434	92,734	898,393	324,485
Gain on fair value of financial instruments ($)	472,143	–	472,143	–
Gain on revision of lease liabilities ($)	20,222	4,204	20,222	8,357
Amortization of notes payable premium	50,017	–	50,017	–
Finance income ($)	978,816	96,938	1,440,775	332,842
Financing fees and bank charges ($)	(170,613)	(207,568)	(665,070)	(892,263)
Interest on loans ($)	(343,295)	(586,357)	(2,367,463)	(1,849,651)
Interest on notes payable ($)	(300,111)	(147,738)	(813,267)	(867,785)
Amortization of notes payable transaction costs ($)	(55,205)	(18,688)	(127,248)	(136,346)
Cost of exchange of Series I and Series II Notes ($)	–	–	–	(250,409)
Accretion of decommissioning provision ($)	(112,960)	(95,524)	(431,126)	(232,426)
Loss on fair value of investments ($)	(132,427)	–	(132,427)	–
Loss on foreign exchange rate contract ($)	(276,007)	–	(276,007)	–
Interest on lease liabilities ($)	(19,014)	(3,987)	(89,506)	(19,581)
Accretion of other liabilities ($)	–	–	(4,887)	–
Finance expense ($)	(1,409,632)	(1,059,862)	(4,907,001)	(4,248,461)
Net finance expense ($)	(430,816)	(962,924)	(3,466,226)	(3,915,619)

Interest income is earned on interest-earning bank accounts, restricted cash held in a trust account and investments in mutual funds. The amount earned in the 2023 periods is higher than in the 2022 periods due to higher interest rates in the 2023 periods combined with an increase in the average balance of interest-earning amounts in 2023.

The gain on the fair value of the financial instruments is mainly related to the crude oil and gas export program established by the government during Q4 2023 through which the Company was able to settle a portion of the export proceeds through negotiable securities acquired in foreign currency and settled in local currency.

During 2023, the Company renewed certain leases for which the related lease liability and right-of-use asset was determined to be $490,446 on the renewal date (2022 – $1,397,670). The remaining right-of-use asset net book value of the original office and equipment lease was $563,554 (2022 – $111,206) with a corresponding lease liability of $583,776 (2022 – $119,563), resulting in a $20,222 (2022 – $8,357) gain reported in net finance expense.

The Company received a $0.74 million premium of issue price over the principal amount of the December 6, 2023 issuance of Series IV Notes (See the Liquidity and Capital Resources – Notes Payable section of this MD&A) that has been recognized as a premium liability and is amortized to finance income over the term of the related Series IV Notes using the effective interest method.

Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers. Cash transfers were lower in the 2023 periods than in the 2022 periods.

Interest on loans is higher in YE 2023 than in YE 2022 due to a higher average amount of loans outstanding during 2023 combined with higher interest rates and is lower in Q4 2023 than in Q4 2022 due to the repayment of certain loans with the proceeds from the issuance of Series IV Notes in July and December 2023. See the Liquidity and Capital Resources – Loans and Notes Payable sections of this MD&A.

Interest on notes payable in Q4 2023 is higher than in Q4 2022 due to the issuance of Series IV Notes in July 2023 and additional Series IV Notes in December 2023.

Amortization of notes payable transaction costs is higher in Q4 2023 than in Q4 2022 due to the costs related to the issuance of Series IV Notes in July and December 2023.

Cost of exchange of $250,409 is related to the exchange of Series I Notes and Series II Notes for Series III Notes in August 2022.

The $132,427 loss on fair value of investment relates to a fair value adjustment of notes receivable included in investments.

During 2023, the Company entered into a foreign exchange rate contract to mitigate the devaluation of USD/ARS exchange rate. The contract matured on December 29, 2023 at which time the Company recognized a $276,007 loss on the contract.

Taxes

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Current tax ($)	–	–	–	–
Deferred tax recovery ($)	283,870	1,196,324	2,003,359	606,990
Total tax recovery ($)	283,870	1,196,324	2,003,359	606,990

Crown Point Energía S.A. has sufficient non-capital loss and other tax pools available to reduce taxable income in Argentina to $nil. The deferred tax recovery reported in the 2023 and 2022 periods is mainly related to the increase in tax losses combined with changes in the Company's ARS denominated tax pools partially offset by the effect of the devaluation of the ARS during the period on the translation of ARS denominated tax pools to USD.

As at December 31, 2023, the Company's deferred tax liability was $2,151,708 (December 31, 2022 – $4,155,067).

CAPITAL EXPENDITURES

The Company incurred $10,523 and $2,563,518 of drilling expenditures on exploration and evaluation ("**E&E**") assets related to CLL during 2023 and 2022, respectively.

	Year ended December 31	
	2023	2022
E&E expenditures on the CLL Permit ($)	10,523	2,563,518
Government grants ($)	–	(569,891)
E&E expenditures, net ($)	10,523	1,993,627

In December 2022, the Company received ARS 100.7 million ($0.6 million) of Program II turnover tax and royalty credits (see below) related to investments in the CLL Concession.

The Company recognized the following additions to property and equipment assets during 2023 and 2022:

	Year ended December 31	
	2023	2022
Development and production asset expenditures ($)	7,948,804	10,267,317
Other asset expenditures ($)	34,542	85,307
	7,983,346	10,352,624
Government grants ($)	(70,468)	(169,677)
Property and equipment expenditures ($)	7,912,878	10,182,947

During 2023, the Company incurred $394,411 of expenditures in the TDF Concessions primarily related to production optimization in the San Martin field and other facilities improvements and $7,554,393 of expenditures in the Mendoza Concessions related to well workovers, extractive system enhancements and facilities improvements.

During 2022, the Company incurred $6,653,835 of expenditures in the TDF Concessions primarily related to the drilling of the SM.a-1004 and LV-118 wells, SM x-1001 well intervention operations, the construction of the oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal and other facilities improvements, and $3,613,482 of expenditures in the Mendoza Concessions related to well workovers, extractive system enhancements and facilities improvements.

Government grants:

In December 2020 and July 2021, respectively, the Province of Mendoza created the Mendoza Activa Hydrocarbons Program ("Program I") and the Mendoza Activa Hydrocarbons II Program ("Program II") (collectively, the "Mendoza Activa Programs") to promote and increase the development and reactivation of hydrocarbon activity in the Province. The Mendoza Activa Programs provide a refund ("government grant") of up to 40% of amounts invested in the Province prior to December 31, 2022 that meet certain technical and economic requirements. Government grants are paid as follows:

- 50% in the form of a turnover tax credit that is freely transferable and may be applied against up to 10% of theholder's monthly turnover tax balance; and
- 50% in the form of a royalty credit that can be applied against provincial royalties on incremental productionobtained from the related investment.

Government grants received under Program I expired on December 31, 2023 and government grants received under Program II expire on December 31, 2025 and may be extended for up to three years if certain criteria are met.

During 2023 and 2022, the Company received ARS 16.6 million ($0.07 million) and ARS 27.2 million ($0.2 million), respectively, of Program I and Program II turnover tax and royalty credits related to investments in the Mendoza Concessions.

IMPAIRMENT (REVERSAL) LOSS OF PROPERTY AND EQUIPMENT

The Company has two cost generating units ("**CGUs**"): (1) the TDF CGU comprised of the TDF Concessions and (2) the Mendoza CGU comprised of the CH Concession and the PPCO Concession.

TDF CGU

As at December 31, 2023, the Company identified indicators of impairment reversal in relation to its TDF CGU as at December 31, 2023, such as an extension of timing of cash flows and optimization of operating costs, and performed an impairment reversal test. Management used fair value less cost of disposal to determine the recoverable amount of the CGU, which is based on the discounted after-tax cash flows of reserves. The recoverable amount of the TDF CGU based on (at 14.3%) discounted after-tax cash flows expected to be derived from the TDF CGU's petroleum and natural gas proved and probable reserves based on the externally prepared December 31, 2023 reserve report assuming a 10-year license extension to the primary term, currently expiring August 2026.

As at December 31, 2023, the estimated recoverable amount of the TDF CGU was determined to be higher than the carrying amount. As a result of the impairment reversal test performed, the Company recognized a $3.05 million impairment reversal related to the TDF CGU.

A 1% increase in the discount rate would result in a $0.03 million decrease in impairment reversal. A $1 per BOE decrease in commodity prices would result in a $0.57 million decrease in impairment reversal.

In 2022, the Company identified indicators of impairment in relation to its TDF CGU, such as a decrease in petroleum and natural gas proved and probable reserves due to technical revisions and higher operating cost estimates, and performed an impairment test resulting in the recognition of $2.05 million of impairment loss.

Mendoza CGU

The Company did not identify any indicators of impairment in relation to its Mendoza CGU as at December 31, 2023 and therefore no impairment test was performed.

In 2022, the Company identified indicators of impairment in relation to its Mendoza CGU, such as an increase in operating cost estimates, and performed an impairment test. The estimated recoverable amount of the Mendoza CGU was determined to be higher than the carrying amount resulting in no impairment recognized in 2022.

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 2023, the Company reported a net loss of $8,127,632 (2022 – $5,906,799) primarily related to interest on loans and notes payable and higher operating costs. The Company reported $3,793,538 (2022 – $1,334,815) net cash provided by operating activities and $1,608,310 (2022 – $3,022,382) of funds flow provided by operating activities during 2023. As at December 31, 2023, the Company reported a $11,785,934 working capital deficit (2022 – $1,273,047 working capital deficit), including $191,507 of cash and cash equivalents (2022 – $536,752).

The Company's capital expenditure budget for fiscal 2024 is estimated to be $13.9 million comprised of $1.5 million for a well workover and facilities improvements in TDF, $11.9 million for drilling three vertical wells, well workovers and facilities improvements and optimization in the Mendoza Concessions and $0.5 million in the CLL permit. For details of the Company's fiscal 2024 capital expenditure program, see the Outlook section of this MD&A.

On February 1, 2024, the Company's wholly owned subsidiary, Crown Point Energía S.A., entered into an asset sale and purchase agreement (the "Acquisition Agreement") with Pan American Energy S.L., Sucursal Argentina (the "Seller") to acquire the Seller's 100% working interest in the Piedra Clavada and Koluel Kaike hydrocarbon exploitation concessions ("the Santa Cruz Concessions", and collectively, the "Acquisition"). The purchase price is comprised of $12 million cash, subject to closing adjustments, plus contingent in-kind consideration payable throughout a 15-year period following closing.

In 2021, Crown Point Energia S.A obtained approval from Argentina's National Security Commission to launch offerings for notes payable for up to $75 million (or its equivalent in other currencies) effective until March 18, 2026. As of December 31, 2023, the Company has issued $28.1 million of notes payable and $46.9 million is available for future offerings. The Company has future capital commitments to develop its properties as described in the Commitments section of this MD&A.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to obtain additional financing through bank debt and/or the issuance of notes payable or equity, and the generation of funds from operating activities to meet current and future obligations. Management plans to secure the necessary financing for its debt and future capital commitments through the issuance of new notes payable or other debt or equity instruments, however, there is no assurance that these initiatives will be successful. The need to obtain additional capital to repay or refinance bank debt and notes payable and to fund the Company's existing commitments, including the purchase price for the proposed Acquisition and ongoing operations, creates a material uncertainty that may cast significant doubt about the Company's ability to meet its obligations as they become due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Notes Payable

As at December 31, 2023, the Company had $28.1 million principal amount of Series III notes ("Series III Notes") and Series IV notes ("Series IV Notes") issued by Crown Point Energía S.A. outstanding (December 31, 2022 - $14.7 million principal amount of Series III Notes).

Series III Notes are secured fixed-rate notes denominated in USD and payable in ARS, due 36 months after the issue date. The principal amount of Series III Notes is repayable in seven quarterly equal installments, starting on February 10, 2024 and ending on August 10, 2025. Series III Notes accrue interest at a fixed rate of 4% per annum, payable every three months in arrears from the issue date.

On July 20, 2023, Crown Point Energia S.A. issued a total of $7,476,000 principal amount of unsecured fixed-rate Series IV Notes for $7,476,000 cash consideration and on December 6, 2023, Crown Point Energia S.A. issued an additional $6,000,000 principal amount of Series IV Notes for $6,738,000 cash consideration. The Series IV Notes are denominated in USD and payable in ARS. The principal amount of the Series IV Notes is repayable in four quarterly equal installments, starting on October 20, 2024 and ending on July 20, 2025. The Series IV Notes accrue interest at a fixed rate of 5% per annum, payable every three months in arrears from the issue date.

As at December 31, 2023, $123,653 (ARS 99.6 million) (December 31, 2022 – $252,200 (ARS 44.7 million)) was reported as restricted cash. The restricted cash is assigned as collateral for the Series III Notes payable and has been deposited in a trust account with Banco de Servicios y Transacciones S.A., the beneficiary of which is Crown Point Energía S.A.. The trust account funds are invested as prescribed by the related escrow agreement; these funds are restricted and cannot be used by the Company other than for the purpose stated in the escrow agreement. The amount of funds held in trust is based on the Company's estimate of the next upcoming quarterly interest payment. The trust account is required to be in place until the maturity date of the Series III Notes payable.

<u>Loans</u>

As at December 31, 2023, the Company had the following loan arrangements in place:

Lender	Amount drawn at December 31, 2023 ARS	Amount drawn at December 31, 2023 USD	Annual rate of interest [1]	Maturity date
Banco Nación S.A. ("BNA")				
BNA Working Capital Loan III	6.9 million	0.01 million	BADLAR + 10%	March 11, 2024
BNA Working Capital Loan IV	3.4 million	0.00 million	BADLAR + 10%	March 19, 2024
BNA Working Capital Loan V	25.8 million	0.03 million	BADLAR + 10%	June 24, 2024
BNA Working Capital Loan VI	87.0 million	0.11 million	BADLAR + 10%	September 30, 2024
ARS 187.5 million Export loan	187.5 million	0.23 million	139.25%	January 23, 2024
	310.6 million	0.38 million		
Banco Galicia S.A.				
Working capital loan	50 million	0.06 million	132%	April 5, 2024
Total principal amount of loans	360.6 million	0.45 million		

The Company's loans are not subject to financial covenants.

(1) As at December 31, 2023, the BADLAR rate was 109.75% (December 31, 2022 – 69.375%).

RELATED PARTY TRANSACTIONS

(a) Liminar Energía S.A. ("Liminar")

Mr. Pablo Peralta is a director of the Company and is the President and a director of Liminar and controls 45% of the voting shares of Liminar. Mr. Roberto Dominguez is the President of Crown Point Energía S.A. and is a director of Liminar and controls 45% of the voting shares of Liminar. Liminar owns approximately 63.9% of the Company's outstanding common shares.

(b) Pablo Peralta

On July 11, 2023, the Company obtained a loan for an amount of $300,000 from Mr. Pablo Peralta, which accrued interest at an annual rate of 4%. The loan was repaid on December 7, 2023. During 2023, the Company recognized $5,000 of interest on the loan. Included in trade and other payables as at December 31, 2023 is $nil (December 31, 2022 – $nil) payable to Mr. Pablo Peralta.

(c) Grupo ST S.A.

Mr. Pablo Peralta and Mr. Roberto Dominguez are also the President and Vice President, respectively, of Grupo ST S.A. and jointly control, directly and indirectly, 96.65% of the voting shares of Grupo ST S.A.

Grupo ST S.A. has provided a guarantee of certain Banco Hipotecario S.A. and Banco Macro S.A loans (which have been repaid) for which the Company is charged a loan guarantee fee of 1% of the loan balance per annum and 1% of the loan, respectively. During 2023, Grupo ST S.A. charged the Company $48,060 (2022 – $nil), respectively, of loan guarantee fees. Included in trade and other payables as at December 31, 2023 is $141 (December 31, 2022 – $nil) payable to Grupo ST S.A.

(d) ST Inversiones S.A.

Mr. Pablo Peralta is also a director of ST Inversiones S.A. and controls 50% the voting shares of ST Inversiones S.A..

ST Inversiones S.A. has provided a guarantee of certain Banco Hipotecario S.A. and Banco Macro S.A. loans (which have been repaid) for which the Company is charged a loan guarantee fee of 1% of the loan balance per annum and 1% of the loan, respectively. During 2023, the Company was charged $5,245 (2022 - $57,698) in loan guarantee fees. Included in trade and other payables as at December 31, 2023 is $nil (December 31, 2022 – $nil) payable to ST Inversiones S.A..

(e) Energía y Soluciones S.A.

Gabriel Obrador is the President, Chief Executive Officer and a director of the Company and also controls Energía y Soluciones S.A.

During 2023, the Company sold a portion of natural gas production from the TDF Concessions to Energía y Soluciones S.A. for which the Company recognized $3,611,611 (ARS 1,314.2 million) (2022 932,996 (ARS 131.1 million)), respectively, of oil and gas revenue. Included in trade and other receivables as at December 31, 2023 is $290,769 (ARS 234.2 million) (December 31, 2022 – $80,699 (ARS 14.3 million)) in respect of this revenue.

Energía y Soluciones S.A. owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of December 31, 2023, and the date of this MD&A, no revenue has been earned from the CLL Permit.

There were no other transactions between the Company and related parties of the Company during the 2023 periods and the 2022 periods.

SUBSEQUENT EVENTS

(a) Bank Debt

On January 2, 2024, the Company repaid the first installment of ARS 21.8 million ($0.03 million) on the BNA working capital loan VI.

On January 23, 2024, the Company repaid the ARS 187.5 million ($0.23 million) BNA export financing loan.

On February 6, 2024, the overdraft loan agreement limit with Banco Hipotecario S.A., available until April 30, 2024, (and undrawn at December 31, 2023), was increased to ARS 1,600 million ($2 million).

On February 14, 2024, the Company obtained two export financing loans with BNA for ARS 127.2 million ($0.16 million) and ARS 137.9 million ($0.17 million) at an annual interest rate of BADLAR less 1%, repayable on May 14, 2024 and June 14, 2024, respectively.

On February 23, 2024, the Company obtained a third export financing loan with BNA for ARS 288 million ($0.3 million) at an annual interest rate of BADLAR less 5%, repayable on May 6, 2024.

(b) Acquisition Agreement

On February 1, 2024, Crown Point Energía S.A. entered into an Acquisition Agreement to acquire the Seller´s 100% working interest in the Santa Cruz Concessions. The purchase price is comprised of $12 million cash, subject to closing adjustments, plus contingent in-kind consideration payable over a 15-year period from the closing date whereby the Company will deliver to the Seller a monthly quantity of oil produced from the Santa Cruz Concessions ranging from 0 to 600 barrels of oil per day, subject to the market price of oil determined for each month.

On February 7, 2024, the Company made a $2.4 million advance payment to the Seller.

Completion of the acquisition is subject to the receipt of all necessary regulatory and Provincial approvals, including the approval of the TSX Venture Exchange, and other customary closing conditions. Completion of the acquisition is not subject to approval by the Company's shareholders. The effective date of the acquisition will be January 1, 2024.

(c) Notes Payable

On February 14, 2024, the Company repaid the first $2.1 million installment on the Series III Notes.

SHARE CAPITAL

Issued and outstanding	**Common Shares**	**Stock Options**
December 31, 2022, December 31, 2023 and date of MD&A	72,903,038	4,350,000

COMMITMENTS

TDF Concessions

As at December 31, 2023, the Company’s share of expenditure commitments with respect to the Rio Cullen exploitation concession in TDF is $0.62 million which must be completed by August 2026. The UTE expects to offset the outstanding commitment in the Rio Cullen exploitation concession with infrastructure investments made in other parts of the TDF Concessions.

Mendoza Concessions

As at December 31, 2023, the Company's share of expenditure commitments with respect to the CH Concession is $30.7 million, consisting of a work program for well workovers, infrastructure optimization and a multi-well drilling program to be completed by March 2031.

As at December 31, 2023, the Company's share of expenditure commitments with respect to the PPCO Concession is $11.9 million, consisting of a work program for well workovers, infrastructure optimization and a multi-well drilling program to be completed by August 2028.

CLL Permit

As at December 31, 2023, the Company is in conversations with the Province of Mendoza for the extension of the CLL Permit or other alternatives for the CLL Permit, including the potential compensation of the Company's only outstanding commitment estimated at $0.5 million, consisting of a well repair, with working units performed by the Company in excess of what was otherwise required during the exploration period of the CLL Permit.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair values of cash, restricted cash and cash equivalents, investments, trade and other receivables, trade and other payables and loans are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2023 and December 31, 2022, the fair value of these balances approximated their carrying amount due to their short terms to maturity. The fair values of notes payable, lease liabilities and the contingent consideration liability are based on the discounted present value of future cash flows and approximate carrying amounts.

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 2023	September 30 2023	June 30 2023	March 31 2023	December 31 2022	September 30 2022	June 30 2022	March 31 2022
Working capital [2] ($)	(11,785,934)	(6,853,340)	(9,884,218)	(4,628,766)	(1,273,047)	257,308	(5,161,736)	(2,938,400)
Oil and natural gas sales revenue ($)	5,530,896	7,400,992	6,733,782	7,100,558	8,586,742	10,751,784	8,214,263	5,487,831
Net loss ($)	(2,096,083)	(2,029,906)	(2,142,342)	(1,861,570)	(2,712,553)	(884,657)	(667,490)	(1,642,099)
Basic and diluted net loss per share [1] ($)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.01)	(0.01)	(0.02)
Net cash provided (used) by operating activities ($)	1,339,967	2,144,720	(614,923)	923,774	170,378	2,749,800	(1,553,129)	(32,234)
Cash portion of acquisition of working interest ($)	–	–	–	–	–	5,000,000	–	–
Property and equipment expenditures ($)	3,054,584	2,072,424	1,814,329	1,042,009	1,903,899	2,227,726	3,471,636	2,749,363
E&E expenditures	–	1,174	6,210	3,139	9,700	5,905	14,753	2,533,160
Total assets ($)	67,785,665	64,426,315	64,793,224	66,278,879	68,183,547	72,635,556	65,277,006	58,984,311
Loans ($)	508,114	1,149,582	6,469,727	5,044,080	4,123,737	3,311,315	6,104,639	1,828,985
Notes payable [3] ($)	28,757,720	22,034,071	14,580,087	14,557,834	14,542,382	14,523,424	5,075,463	4,997,806

(1) The sum of quarterly per share amounts may not add to annual figures due to rounding.
(2) "Working capital" is a capital management measure. See "Non-IFRS and Other Financial Measures" for additional disclosures.
(3) Total of current and non-current portions of notes payable.

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

- Working capital deficit increased in Q4 2023 due mainly to the reclassification of a portion of notes payable to current liabilities.
- The reported net loss increased in Q4 2023 due mainly to the foreign exchange losses combined with lower oil and gas sales.
- Working capital deficit decreased in Q3 2023 due mainly to cash proceeds from the issuance of

Series IV Notes that are payable 24 months after the issuance date.

- The reported net loss decreased in Q3 2023 due mainly to higher oil and gas sales revenue combined with lower operating costs and lower interest on loans.
- Working capital decreased in Q2 2023 due mainly to the increase in loans, trade and other payables and the reclassification of a portion of notes payable to current liabilities.
- The reported net loss increased in Q2 2023 mainly due to higher operating expenses and interest on loans.
- Working capital decreased in Q1 2023 due mainly to the reclassification of a portion of notes payable to current liabilities.
- The reported net loss decreased in Q1 2023 mainly due to a decrease in general and administrative expenses and depletion and depreciation expense; in addition, Q4 2022 net loss included impairment.
- Working capital decreased in Q4 2022 due mainly to the increase in loans, trade and other payables and the current portion of lease liabilities.
- The reported net loss increased in Q4 2022 due to lower oil sales revenue combined with an increase in operating costs and impairment of the TDF cost generating unit.
- Working capital increased in Q3 2022 due mainly to the issuance of Series III Notes that are payable 36 months after the issuance date.
- The reported net loss increased in Q3 2022 due to foreign exchange losses and increases in depletion and depreciation and net finance expense offset by the gain on acquisition of working interest.
- Working capital decreased in Q2 2022 due to the increase in property and equipment.
- The reported net loss decreased in Q2 2022 due to an increase in oil and natural gas sales revenue partially offset by higher finance expenses caused by the increase in capital expenditures requirements.

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 ability of the Company to meet its obligations as they become due and continue as a going concern;
- risks associated with the recent election of a new President and Vice-President of Argentina, including uncertainty regarding the policies that the new government might implement, the ability of the government to pass legislation on a timely basis or at all, and the resulting impact on Argentina's economy and the oil and natural gas industry in Argentina;
- the risk that climate change concerns could result in increased operating costs and reduced demand for our products, while the potential physical effects of climate change could disrupt our production and cause us to incur significant costs preparing for or responding to those effects;
- risks associated with the ability of OPEC and other oil and gas exporting nations to set and maintain production levels and influence prices for crude oil;
- 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;

- risks associated with wars, insurrections and other armed conflicts and any resulting economic sanctions (including the ongoing war in Ukraine and related economic sanctions imposed on Russia and associated entities and individuals and the ongoing war in Gaza), including the risk that such events impact economic activity in Argentina or globally and consequently the demand for crude oil and natural gas;
- 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 by the Company from its subsidiaries; 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 their financial obligations and/or may affect the ability of the Company's subsidiaries to distribute funds to the Company in order to permit the Company to discharge its financial obligations in the ordinary course of business;
- 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, including the risk of a recession in Argentina and/or globally that reduces economic activity;
- 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, inflation 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, particularly given that the Company does not operate the concessions from which it derives its production;
- 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, finance and complete potential acquisitions, including the

proposed Acquisition;

- if completed, the failure to realize the anticipated benefits of acquisitions, including the proposed Acquisition;
- incorrect assessments of the value of acquisitions, including the proposed 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, or the risk that the cost to use third party facilities increases or that such facilities are decommissioned or otherwise become unavailable to the Company;
- 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, and the resulting impact on our production and reserves;
- the failure to satisfy work commitments by the applicable deadline and the consequences thereof, including the potential loss of exploration and exploitation rights;
- 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 (Liminar) owning approximately 63.9% 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 79.1% 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;
- 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 loans and/or issue new notes, renegotiate the terms of its existing loans and/or notes if necessary and/or repay the principal and interest owing under its existing loans and/or notes, and the risk that changing investor sentiment towards the crude oil and natural gas industry may impact our access to, and the cost of, capital and/or insurance;
- the risk that global or national health concerns, including the outbreak of pandemic or contagious diseases such as the recent COVID-19 pandemic, may adversely affect us; and
- the risk of breaches of our cyber-security and loss of, or unauthorized access to, our electronic data.

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.sedarplus.ca.

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 AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Company, we employ certain measures to analyze financial performance, financial position, and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures provided by other issuers. The non-IFRS and other financial measures should not be considered to be more meaningful than financial measures which are determined in accordance with IFRS Accounting Standards, such as net income (loss), oil and natural gas sales revenue and net cash provided (used) by operating activities as indicators of our performance.

"**Funds flow per share – operating activities**" is a supplemental financial measure. Funds flow per share – operating activities is comprised of funds flow provided (used) by operating activities divided by the basic and diluted weighted average number of common shares outstanding for the period. See "Financial Information – Summary of Financial Information".

"**Net cash per share – operating activities**" is a supplemental financial measure. Net cash per share – operating activities is comprised of net cash provided (used) by operating activities divided by the basic and diluted weighted average number of common shares outstanding for the period. See "Financial Information – Summary of Financial Information".

"**Non-current financial liabilities**" is a supplemental financial measure. Non-current financial liabilities is comprised of the non-current portions of trade and other payables, notes payable and lease liabilities as presented in the Company's consolidated statements of financial position. See "Financial Information – Summary of Financial Information".

"**Operating Netback**" is a non-IFRS measure. Operating netback is comprised of oil and natural gas sales revenue less export tax, royalties and turnover tax and operating costs. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. See "Results of Operations – Operating Netback" for a reconciliation of operating netback to oil and natural gas sales revenue, being our nearest measure prescribed by IFRS.

"**Operating netback per BOE**" is a non-IFRS ratio. Operating netback per BOE is comprised of operating netback divided by total BOE sales volumes in the period. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. In addition, management believes that operating netback per BOE is a key industry performance measure of operational efficiency and provide investors with information that is also commonly presented by other crude oil and natural gas producers. Operating netback is a non-IFRS measure. See "Results of Operations – Operating Netback" for the calculation of operating netback per BOE.

"**Working capital**" is a capital management measure. Working capital is comprised of current assets less current liabilities. Management believes that working capital is a useful measure to assess the Company's capital position and its ability to execute its existing exploration commitments and its share of any development programs. See "Financial Information – Summary of Financial Information" for a reconciliation of working capital to current assets and current liabilities, being our nearest measures prescribed by IFRS.

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
km^2	-	square kilometres
m	-	meters

m^3	-	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

Initial Production Rates

Any references herein to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Initial production rates may be estimated based on third party estimates or limited data available at the time. In all cases herein, initial production rates are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

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, the Mendoza Concessions and the 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 "Operational Update", the Company's plans for future operations on its TDF Concessions, Mendoza

Concessions and CLL Permit and the anticipated benefits to be derived therefrom and timing thereof, including the Company's expectations for the possible extension of the CLL Permit; under "Outlook", our estimated capital expenditure budgets for fiscal 2024, the capital expenditures that we intend to make in our TDF Concessions, Mendoza Concessions and CLL Permit during such period, and our expectations for how we will fund our capital expenditures and other expenses during such period; under "Outlook – Argentina – Economic Summary", our expectations relating to Argentina's EFF arrangement with the IMF and the actions that the new administration of President Milei might take and the benefits to be derived therefrom; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks, our capital expenditure budget for fiscal 2024 and the expenditures we expect to make at TDF, the Mendoza Concessions and CLL, our expectations regarding the terms, conditions and timing for closing the proposed Acquisition of the Santa Cruz Concessions, and our expectations regarding our ability to obtain additional financing and generate funds from operating activities to meet current and future obligations and to continue as a going concern; under "Subsequent Events", our expectations regarding the terms, conditions and timing for closing the proposed Acquisition of the Santa Cruz Concessions; under "Commitments", our expectation to offset the outstanding commitment in the Rio Cullen concession with investments made in other parts of TDF; 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: that the Company experiences delays building the pipeline to the Rio Cullen marine terminal or is unable to complete the pipeline; that the Company is unable to truck oil to the ENAP refinery and/or the Rio Cullen marine terminal and/or that the cost to do so rises and/or becomes uneconomic; that the price received by the Company for its oil is at a substantial discount to the Brent oil price; that the Company is unable to complete the proposed Acquisition of the Santa Cruz Concessions on the terms described herein or at all, whether due to the inability of the Company to obtain financing to fund the cash portion of the purchase price, obtain requisite regulatory approvals, satisfy applicable conditions precedent, or otherwise; and 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.sedarplus.ca.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things: that the Company will complete the proposed Acquisition of the Santa Cruz Concessions on the terms described herein on a timely basis, including the ability of the Company to obtain the requisite financing to fund the cash portion of the purchase price on acceptable terms, obtain all requisite regulatory approvals and satisfy all applicable conditions precedent; the cost to build the oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal and the timing thereof; trucking costs; that the COVID-19 (coronavirus) pandemic (or any other pandemic or global or regional health related event) will not have a material impact on the Company and our operations going forward; the ability and willingness of OPEC+ nations and other major producers of crude oil to balance crude oil production levels and thereby sustain higher global crude oil prices; the impact of inflation rates in Argentina and the devaluation of the ARS against the USD on the Company; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates (including in relation to the newly elected President and Vice-President of Argentina and their administration), 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 operators of the projects which the Company has an interest in to operate the fields in a safe, efficient and effective manner; that the Company will not pay dividends for the foreseeable future; the ability of the Company to obtain financing on acceptable terms when and if needed and continue as a going concern; 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, inflation 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.sedarplus.ca. 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.