CROWN POINT ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") of the consolidated financial results of Crown Point Energy Inc. ("**Crown Point**" or the "**Company**") is at and for the three months and year ended December 31, 2018.

This MD&A is dated as of April 1, 2019 and should be read in conjunction with the Company's audited December 31, 2018 consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

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

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

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

In the following discussion, the three months and year ended December 31, 2018 may be referred to as "Q4 2018" and "YE 2018" or "2018", respectively, the comparative three months and year ended December 31, 2017 may be referred to as "Q4 2017" and "YE 2017" or "2017", respectively, and the previous three month period ended September 30, 2018 may be referred to as "Q3 2018".

CORPORATE OVERVIEW AND STRATEGY

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

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

Crown Point is also conducting an exploration program in its 100% interest in the Cerro de Los Leones ("**CLL**") exploration concession permit (the "**CLL Permit**") in the Province of Mendoza, an area surrounded by several large conventional oil pools. The Company recently acquired 3-D seismic over the northern part of the Permit. The new 3-D seismic has been processed and is now being interpreted, and will be used to evaluate drilling locations in the northern CLL area.

ACQUISITION OF ST. PATRICK OIL & GAS S.A.

On June 7, 2018, the Company closed the acquisition (the "**Acquisition**") of all of the issued and outstanding shares of St. Patrick Oil & Gas S.A. (formerly named Apco Austral S.A.) ("**St. Patrick**"), from a third party (the "**Vendor**") for $28.4 million of cash consideration plus up to $9 million of contingent royalty payments during a ten-year period commencing on January 1, 2018. $6.75 million of the cash consideration was paid as a deposit in 2017. In addition, Crown Point paid $4.4 million of withholding taxes to Argentine tax authorities pursuant to the provisions of the share purchase agreements entered into in connection with the transaction.

St. Patrick holds a 25.7796% participating interest in the TDF Concessions (the "**Participating Interest**").

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

Arbitration and Exercise of Rights of First Refusal

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

In December 2018, the arbitration tribunal ordered St. Patrick and the Vendor to comply with the provisions of the UTE Agreement that grant the ROFR to acquire St. Patrick's Participating Interest in the TDF Concessions to the other UTE Partners. In compliance with the arbitration tribunal's decision, St. Patrick subsequently provided notice to its UTE Partners of the indirect transfer of St. Patrick's Participating Interest in the TDF Concessions that resulted from Crown Point's acquisition of St. Patrick. The deadline to exercise the ROFRs has now passed and all of St. Patrick's UTE Partners have exercised their ROFRs to acquire their proportionate share of St. Patrick's Participating Interest in the TDF Concessions (the "**ROFR Sale**"). Pursuant to the UTE Agreement, St. Patrick and the Vendor have until April 17, 2019 to negotiate the terms and conditions of a mutually acceptable purchase and sale agreement with the other UTE Partners to complete the ROFR Sale. If the ROFR Sale proceeds and all of the other UTE Partners acquire their proportionate share of St. Patrick's Participating Interest in the TDF Concessions, the Company's collective participating interest in the TDF Concessions will decrease from 51.56% to 34.73%.

OPERATIONAL UPDATE

TDF Concessions

Rio Cullen and La Angostura Concessions

During Q4 2018, the San Martin discovery well (SM x-1001), located on the La Angostura concession, produced a total of 184,435 bbls of 35 API gravity oil (gross) plus 566 bbls of basic sediment and water. Daily oil production averaged 2,025 bbls per day (net 1,033 bbls per day). Total associated natural gas production during Q4 2018 was 63.1 mmcf (gross) or an average of 693 mcf of gas per day (gross) (net 353 mcf per day).

Two Tobífera zone appraisal wells have been drilled on the San Martin structure to date. The first well (SM a-1002), located 0.8 km to the south of SM x-1001, was drilled in June 2018 and placed on production in August 2018. During Q4 2018, this well produced a total of 189,429 bbls of 35 API gravity oil (gross) plus 572 bbls of basic sediment and water. Daily oil production averaged 2,075 bbls per day (net 1,058 bbls per day). Total associated natural gas production during Q4 2018 was 64.8 mmcf (gross) or an average of 705 mcf of gas per day (gross) (net 364 mcf per day). The natural gas produced from SM a-1002 was flared during Q4 2018 but was subsequently tied in during February 2019.

The second appraisal well (SM a-1003), located 0.9 km north and west of SM x-1001, was drilled and cased in July 2018. In late August 2018, the upper Tobífera zone (productive in SM x-1001 and SM a-1002) was completed and suspended after failing to recover oil. A lower Tobífera zone was fracture stimulated in December 2018, subsequently recovering an average of 96 bbls of oil per day (960 bbls of oil in total) plus 64 barrels of water per day (639 bbls of water in total) during a swab test over 14 days. The upper Tobífera zone was fracture stimulated in February 2019 recovering minor amounts of oil. SM a-1003 was placed on pump on March 14, 2019 with co-mingled production from the upper and lower Tobífera zones and averaged 125 barrels of oil per day (net 63 bbls per day) plus 57 bbls of water per day (net 29 bbls per day) over the following 10 days.

The Company fulfilled the Rio Cullen and La Angostura concession expenditure commitments and exercised the option to extend the term of each concession to August 2026 by making cash payments to the Province of TDF in the amount of $32,500 for the Rio Cullen concession and $148,000 for the La Angostura concession (net to the Company). The expenditure commitment for exploration and development work for the Rio Cullen and La Angostura concessions is $0.92 million and $1.92 million (net to the Company's interest), respectively, as determined by the Province of TDF. As at December 31, 2018, the Company had fulfilled the La Angostura expenditure commitment.

Las Violetas Concession

During August 2018, the Company and its UTE partners drilled and cased one exploration well (LR x-1001), located on a structure approximately 6 km to the south and east of the Rio Chico gas processing facilities, as a potential Springhill formation oil and gas discovery. Initial completion operations were concluded in September 2018 and indicated that the Springhill zone would need to be fracture stimulated to encourage inflow. The well was fracture stimulated in December 2018 with inconclusive results. The well was re-fractured and re-completed during Q1 2019 recovering formation water with traces of oil. The well has been suspended.

Completion and testing operations on LFE-1004, the last well in the Company's 2014-2015 drilling program, were undertaken during the second half of 2018. This well did not encounter the Springhill formation objective but was subsequently cased after registering oil and gas shows in the underlying Tobífera formation. The Tobífera was completed and tested gas with condensate in October 2018 and was placed on production at the end of October 2018.

Prospect identification and evaluation to develop additional exploitation, step-out and appraisal locations for inclusion in the 2019 capital program on the Las Violetas concession continues.

CLL Permit

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

The Company was required to complete a 3-D seismic program and drill one exploration well by January 22, 2019. The Company completed a program to acquire 214 km^2 of 3-D seismic in September 2018. Processed data was delivered for interpretation in February 2019.

The Company has received formal approval from the Province of Mendoza extending the January 22, 2019 deadline to complete its outstanding Phase Two work obligation (the drilling of one exploration well) for nine months. In doing so, the Company has accepted an additional work obligation to drill a second exploration well before the new October 22, 2019 deadline. The Company plans to drill the first well during the first half of 2019.

The Company is seeking a partner in the CLL Permit to share future capital costs and potentially realize some capital cost recovery on existing and previous capital projects.

OUTLOOK

Capital Spending

The Company's planned capital spending for 2019 is as follows:

	Previous guidance for 2019	Updated guidance for 2019	Explanation
TDF Concessions ($)	16.3 million	13.6 million	Proposed budget revised during budget evaluation and approval process
CLL Permit ($)	3.6 million	3.7 million	Increased to remaining expenditure commitment
Total capital expenditures ($)	19.9 million	17.3 million	

The Company's capital expenditure budget for 2019 is $17.3 million comprised of $13.6 million in TDF and $3.7 million in CLL based on expenditures for the following proposed activities:

- Drill two appraisal wells on San Martin structure in the La Angostura concession;
- Three well workovers; one in the La Angostura concession, one in the Rio Cullen concession and one in the Las Violetas concession;

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

The $13.6 million budget for TDF is based on the Company's share of the budget proposed by the UTE´s operator. The Company is currently evaluating the budget proposal.

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

Argentina – Economic Summary

During 2018, the inflation rate in Argentina was 47.8%. As a consequence, the ARS declined sharply against the USD. In an effort to stabilize the country's currency and slow inflation, the Banco Central de la República Argentina increased interest rates to above 60%. At the same time, the Government negotiated a standby credit facility with the International Monetary Fund to boost its international reserves and enable it to meet its financial obligations to the end of 2019. The Government has implemented a fiscal program to decrease the country's deficit in order to control inflation.

Commodity Prices

Oil
Commencing in October 2017, oil from the Company's TDF Concessions is sold at a discount to the Brent price. During 2018, the Company received an average of $60.42 per bbl for its TDF oil.

Natural gas
Crown Point can sell its natural gas production to both industrial and residential consumers. Residential demand for natural gas in Argentina is higher during the colder months of April through October, reducing the average natural gas prices during this period as sales to the residential market earn a government-imposed lower price than sales to the industrial market. Seasonal reductions in average natural gas prices earned during the winter months are typically offset by increased sales to the much higher-priced industrial market during November through March.

In November 2017, the Government of Argentina, natural gas distributors and the country's primary natural gas producers, agreed upon a set of guidelines to ensure the adequate supply of natural gas to residential market distributors which, in turn, will ensure an adequate supply of natural gas to residential consumers and provide continuity for the gradual and progressive path to eliminating the government subsidization of the residential natural gas market. As a result, the Company is no longer obligated to sell a portion of its natural gas production to the residential market and is now able to sell all of its natural gas production to the industrial market.

During 2018, the Company received an average of $4.46 per mcf for sales of its TDF natural gas, most of which was sold to the higher-priced industrial market.

FINANCIAL INFORMATION

SUMMARY OF FINANCIAL INFORMATION

(expressed in $, except shares outstanding)	**December 31 2018**	**December 31 2017**	**December 31 2016**
Working capital (deficit)	(1,562,992)	685,653	194,679
Exploration and evaluation assets	9,032,994	6,013,387	6,336,658
Property and equipment	54,750,958	23,198,458	26,442,251
Total assets	85,128,625	40,856,370	39,023,203
Non-current financial liabilities (1)	4,744,616	–	427,761
Share capital	131,745,215	119,982,644	116,003,355
Total common shares outstanding	72,903,038	32,903,038	16,451,522

(expressed in $, except shares outstanding)	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Oil and gas revenue	19,406,279	3,132,145	48,667,242	12,986,821
Income (loss) before taxes	2,623,965	(562,802)	10,027,122	(414,034)
Net income (loss)	2,567,130	(743,709)	5,965,837	(1,545,265)
Net income (loss) per share (2)	0.04	(0.03)	0.10	(0.08)
Cash flow from operations	7,713,567	2,294,650	21,635,531	4,733,323
Cash flow per share – operations (2)	0.11	0.08	0.38	0.24
Adjusted funds flow from operations (3)	5,305,263	1,985,649	19,220,789	4,312,984
Adjusted funds flow per share – operations (2)(3)	0.07	0.07	0.34	0.22
Weighted average number of shares	72,903,038	28,790,164	58,209,170	19,561,536

(1) Non-current financial liabilities are comprised of the contingent liability in 2018 and bank debt in 2016. The total amount of contingent liabilities outstanding at December 31, 2018 is $7,066,546, of which $2,321,930 is classified as current. The total amount of bank debt outstanding at December 31, 2018 is $1,700,000, all of which is classified as current (2017 – $812,208 classified as current; 2016 – $2,376,639, of which $1,948,878 is 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. Per share amounts may not add due to rounding.

(3) "Adjusted funds flow from operations" and "Adjusted funds flow per share - operations" are non-IFRS measures. See "Non-IFRS Measures" for a reconciliation of these measures to the nearest comparable IFRS measures.

RESULTS OF OPERATIONS

Results of Operations – TDF

Operating Netback

	Three months ended December 31		Year ended December 31	
Per BOE	2018	2017	2018	2017
Oil and gas revenue ($)	42.91	28.67	44.41	28.97
Export tax ($)	(4.03)	–	(1.71)	–
Royalties ($)	(7.00)	(5.40)	(7.37)	(5.37)
Operating costs ($)	(10.98)	(11.91)	(10.46)	(11.77)
Operating netback (1) ($)	20.90	11.36	24.87	11.83

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

Variances in the TDF operating netback for the 2018 periods as compared to the 2017 periods are explained by changes in sales volumes and revenues, royalties and operating costs as detailed below.

Sales Volumes and Revenues

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Light oil (bbls)	274,701	22,084	576,251	73,641
NGL (bbls)	1,844	1,408	5,681	7,927
Natural gas (mcf)	1,054,081	514,527	3,083,719	2,200,111
Total BOE	452,225	109,246	1,095,885	448,253
Light oil bbls per day	2,986	240	1,579	202
NGL bbls per day	20	15	16	22
Natural gas mcf per day	11,457	5,593	8,449	6,028
BOE per day	4,915	1,187	3,002	1,228

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Light oil revenue ($)	15,271,494	1,049,051	34,817,624	3,515,123
NGL revenue ($)	25,119	35,853	92,184	137,573
Natural gas revenue ($)	4,109,666	2,047,241	13,757,434	9,334,125
Total revenue	19,406,279	3,132,145	48,667,242	12,986,821
Light oil revenue per bbl ($)	55.59	47.50	60.42	47.73
NGL revenue per bbl ($)	13.62	25.46	16.23	17.36
Natural gas revenue per mcf ($)	3.90	3.98	4.46	4.24
Revenue per BOE ($)	42.91	28.67	44.41	28.97

TDF Sales and Production Volumes

During Q4 2018, the Company's average daily sales volumes were 4,915 BOE per day, up 34% from 3,668 BOE per day in Q3 2018 due to higher sales of inventoried volumes of oil and up 314% from 1,187 BOE per day in Q4 2017 due mainly to the increase in the Company's working interest in the TDF Concessions from 25.7804% to 51.56% on June 7, 2018 (see the Acquisition of St. Patrick Oil & Gas S.A. section of this MD&A).

TDF average daily production volumes for Q4 2018 were 4,046 BOE per day, up 15% from 3,515 BOE per day in Q3 2018 due mainly to the SM a-1002 well which came on stream in August 2018 and up 178% from 1,457 BOE per day in Q4 2017 mainly due to the increase in the Company's working interest in the TDF Concessions and production from the SM x-1001 well, which came on stream in Q4 2017, and the SM a-1002 well, which came on stream in August 2018.

TDF sales volumes were weighted as follows:

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Light oil	60%	20%	52%	16%
NGL	1%	1%	1%	2%
Natural gas	39%	79%	47%	82%
Total	100%	100%	100%	100%

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

Oil (and related NGL) production from TDF may be either (1) stored then shipped for sale to the domestic market and/or international brokers for export or (2) trucked and sold to Chile. The sale of crude oil transported by ship from TDF can be impacted by intermittent shipments due to storage levels and weather conditions. Oil and NGL sales volumes may include both previously inventoried volumes as well as current period production.

For the year ended December 31	Oil				NGL			
	2018		2017		2018		2017	
	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day
Inventory, January 1	37,172		9,292		1,465		1,483	
Acquired	18,839		–		1,409		–	
Production	520,240	851	101,521	278	5,691	10	7,909	22
Sales	(576,251)	(953)	(73,641)	(202)	(5,681)	(10)	(7,927)	(22)
Inventory, December 31	–		37,172		2,884		1,465	

TDF Revenues and Pricing

TDF revenue per BOE for Q4 2018 was approximately $42.91 per BOE, lower than TDF revenue per BOE of $49.08 achieved in Q3 2018 due mainly to a lower gas price received in Q4 2018 related to seasonal reductions in natural gas prices. TDF revenue per BOE in Q4 2018 is higher than $28.67 per BOE achieved in Q4 2017 due to an increase in oil sales volumes which earn a higher price per BOE than natural gas.

Of the commodities produced from the TDF Concessions, only natural gas is subject to seasonal demand. Residential demand for natural gas in Argentina is higher during the colder months of April through October, generally resulting in lower average natural gas prices during this period as sales to the residential market earn a lower price than sales to the industrial market. Seasonal reductions in average natural gas prices during winter are typically offset by increases in gas sales during warmer months to the much higher-priced industrial market. However, the Company has not been obligated to sell a portion of its natural gas production to the residential market since November 2017 and is now able to sell all of its natural gas production to the industrial market.

The price earned by the Company on TDF natural gas sales in Q4 2018 averaged $3.90 per mcf, down 23% from $5.04 per mcf earned in Q3 2018 due mainly to a lower industrial price received in Q4 2018 caused by the seasonal reduction of prices. The average price for natural gas sales earned by the Company in Q4 2017 was $3.98 per mcf.

The average natural gas price for the industrial market was $3.71 per mcf in Q4 2018 compared to $5.04 per mcf in Q3 2018 and $4.08 per mcf in Q4 2017. Q4 2017 also included natural gas sales to the residential market for which the average natural gas price was $1.40 per mcf in Q4 2017.

The price earned by the Company on TDF natural gas sales in YE 2018 averaged $4.46 per mcf as compared to $4.24 per mcf in YE 2017 as the Company sold a higher portion of its natural gas to the industrial market in YE 2018 than in YE 2017.

Oil from Crown Point’s TDF concessions was sold at $55.59 per bbl in Q4 2018, down 15% from $65.24 per bbl in Q3 2018 and up 17% from $47.50 per bbl in Q4 2017. The price earned by the Company on TDF oil sales in YE 2018 averaged $60.42 per bbl as compared to $47.73 per bbl in YE 2017. The increase in the price earned on oil sales in 2018 is due to Argentina’s adoption of the Brent price in October 2017. The average price of Brent was 12% higher in Q4 2018 compared to Q4 2017 and 8% lower in Q4 2018 compared to Q3 2018.

The price earned by the Company on TDF NGL sales was $13.62 per bbl in Q4 2018, up 9% from $12.52 per bbl in Q3 2018 and down 47% from $25.46 per bbl received in Q4 2017 as sales in Q4 2017 were to the higher-priced industrial market. The price earned by the Company on TDF NGL sales in YE 2018 averaged $16.23 per bbl as compared to $17.36 per bbl in YE 2017.

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

Export Tax

	Three months ended December 31		Year ended December 31	
	2018	**2017**	**2018**	**2017**
Export tax ($)	1,821,858	–	1,872,814	–
Export tax as a % of Revenue	9%	–	4%	–
Export tax per BOE ($)	4.03	–	1.71	–

In September 2018, the Government of Argentina imposed a 12% export tax on all goods exported from Argentina, to a maximum of 4 ARS per 1 USD of export sales revenue. During YE 2018, the Company recognized $1,872,814 of export tax related to oil sales to the export market for the period from September 1, 2018 to December 31, 2018.

Royalties

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Provincial royalties ($)	3,166,419	589,565	8,072,307	2,406,192
Royalties as a % of Revenue	16%	19%	17%	19%
Royalties per BOE ($)	7.00	5.40	7.37	5.37

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

The royalty rate is lower in the 2018 periods than in the 2017 periods due to oil export sales in the 2018 periods which are exempt from turnover tax and is 16% in Q4 2018 compared to 19% in Q4 2017 due to the export tax that is deducted from the royalty base calculation.

Operating Costs

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Production and processing ($)	3,193,341	1,212,678	8,489,548	4,829,220
Transportation and hauling ($)	1,770,963	88,858	2,978,734	448,250
Total operating costs ($)	4,964,304	1,301,536	11,468,282	5,277,470
Production and processing per BOE ($)	7.06	11.10	7.75	10.77
Transportation and hauling per BOE ($)	3.92	0.81	2.72	1.00
Operating costs per BOE ($)	10.98	11.91	10.47	11.77

Operating costs per BOE are lower in the 2018 periods as compared to the 2017 periods due in part to the effect of the devaluation of the ARS against the USD. During 2018, the ARS declined 96% against the USD, with the majority of the devaluation occurring in Q2 2018 and Q3 2018. A portion of the Company’s operating costs, including rates for field personnel and trucking, are set and settled in ARS based on the ARS to USD exchange rate at a particular point in time. Rates for field personnel and trucking may be subsequently adjusted in the event of significant changes in the ARS to USD exchange rate.

Transportation and hauling costs consist of contracted services hired to perform vacuum truck and transportation activities for crude oil. Transportation and hauling costs are higher in the 2018 periods as compared to the 2017 periods due to oil from SM x-1001 and SM x-1002 that is trucked to the Company’s TDF facilities for storage and for which a portion is trucked to Chile for sale.

G&A Expenses

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Salaries and benefits ($)	287,737	405,919	935,815	1,694,554
Professional fees ($)	441,038	382,660	1,099,531	908,116
Office and general ($)	65,016	108,399	313,650	388,232
Travel and promotion ($)	12,160	36,106	117,056	76,796
	805,951	933,084	2,466,052	3,067,698

Salaries and benefits are lower in the 2018 periods than in the 2017 periods due to an overall reduction in staffing levels combined with the devaluation of ARS against the USD in the 2018 periods compared to the 2017 periods which resulted in lower 2018 salary costs for Argentine employees.

Professional fees include reserve reports fees, consulting fees for financial reporting and investor relations services, legal and consulting fees related to assistance with the preparation of various documents for regulatory compliance and consulting fees related to geological and engineering assistance. Professional fees are higher in the 2018 periods than in the 2017 periods due mainly to geological and engineering consulting fees.

Office and general expenses are lower in the 2018 periods than the 2017 periods due to cost-savings achieved in the Argentina office.

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

Transaction costs

During Q4 2018 and YE 2018, the Company incurred $nil and $153,405, respectively (Q4 2017 and YE 2017 – $264,630), of acquisition expenses related to the Acquisition of St. Patrick.

Depletion and Depreciation

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
TDF depletion ($)	4,225,930	1,247,324	11,928,572	5,389,214
Depreciation ($)	17,565	14,716	63,569	63,017
	4,243,495	1,262,040	11,992,141	5,452,231
TDF depletion rate per BOE ($)	9.34	11.42	10.88	12.02

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

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

Foreign Exchange Gain (Loss)

During Q4 2018 and YE 2018, the Company recognized foreign exchange losses of $882,489 and $48,027, respectively, compared to foreign exchange gains of $33,285 and $27,102, respectively, during the 2017 comparative periods.

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

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

Exchange rates [(1)] as at:	December 31 2018	December 31 2017
CAD to USD	0.7330	0.7954
ARS to USD	0.0266	0.0522
USD to ARS	37.6500	19.1620

(1) Source Canadian Forex Exchange

In Crown Point, the translation of USD denominated foreign net monetary assets to CAD during 2018 resulted in a foreign exchange gain of approximately $332,000 (2017 – $184,400).

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

In the Argentine subsidiaries, the translation of ARS denominated net monetary liabilities to USD during 2018 resulted in a foreign exchange loss of approximately $370,000 (2017 – $157,300).

Currency appreciation and devaluation in Argentina affects the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiaries. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During 2018, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 33% (2017 devaluation of ARS; lower by 9%).

During 2018, the devaluation of ARS resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding bank debt, by approximately $2.9 million (2017 – devaluation of ARS; reduction by approximately $174,000).

Certain portions of the Company's bank debt, as described under Liquidity and Capital Resources, were denominated in ARS and translated to USD at each reporting date.

The effect of currency devaluation on ARS denominated bank debt during 2018 is shown in the following table:

		December 31 2018
June 2015 HSBC Loan facility (ARS 2,770,883)	$	144,600
Repayment of June 2015 HSBC Loan facility (ARS 2,770,883)		(138,982)
October 2015 HSBC Loan facility (ARS 3,958,333)		206,572
Repayment of October 2015 HSBC Loan facility (ARS 3,958,333)		(196,720)
CMS Working Capital Loan (ARS 13,000,000)		479,439
Repayment of CMS Working Capital Loan (ARS 13,000,000)		(334,255)
Banco Saenz Overdraft (ARS13,000,000)		334,255
Repayment of Banco Saenz Overdraft (ARS13,000,000)		(337,733)
Effect of change in exchange rates		(157,176)
	$	–

Net Finance Expense

During Q4 2018 and YE 2018, the Company earned $73,284 and $85,314, respectively, of interest income on short-term deposits and short-term bonds compared to $179,453 and $265,766, respectively, in Q4 2017 and YE 2017. Interest income earned in the 2017 periods includes interest on the BONAR 2020 bonds which the Company received in the latter half of 2017 as proceeds for outstanding certificates under the cancelled Petróleo Plus Program and the New Gas Incentive Program as described below under Other Income and Liquidity and Capital Resources. The BONAR 2020 bonds were sold in November and December 2017.

During Q4 2018 and YE 2018, the Company incurred $266,339 and $817,839, respectively, of financing fees and bank charges compared to $96,865 and $350,636, respectively, in Q4 2017 and YE 2017. Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers.

During Q4 2018 and YE 2018, the Company incurred $94,569 and $294,015 of interest expense on bank debt compared to $57,523 and $387,198, respectively, in Q4 2017 and YE 2017. Interest expense is lower in YE 2018 as compared to YE 2017 due to the repayment of loans which was partially offset by new loans acquired as described under the Liquidity and Capital Resources – Argentina Loans section of this MD&A.

Other Income

Oil Incentive Bonus Payments

Under the Government of Argentina's Oil Incentive Program, companies that increased or maintained production at 95% of fourth quarter 2014 volumes were eligible for a $3.00 per bbl bonus payment on a formula-derived quantity of production. The Oil Incentive Program was in effect from January 1, 2015 to December 31, 2015. During 2017, the Company collected $56,530 of Oil Incentive Program bonus payments in respect of third and fourth quarter 2015 production volumes. The Company recognized Oil Incentive Program income when proceeds were received due to uncertainty of the timing of collection.

Petróleo Plus Program

In November 2016, the Government of Argentina issued a decree under which it began offering bonds to qualifying companies with outstanding certificates under the cancelled Petróleo Plus Program. The Company made a submission for approximately $1.9 million of bonds with respect to the remainder of its outstanding Petróleo Plus certificates. On July 11, 2017, the Company received $1,874,376 of publicly-traded BONAR 2020 bonds as proceeds for the outstanding Petróleo Plus certificates. The Company recognized Petróleo Plus Program income upon receipt of proceeds due to uncertainty of the timing of collection.

New Gas Incentive Program

During Q4 2017 and YE 2017, the Company received $616,721 and $1,660,485, respectively, of proceeds under the New Gas Incentive Program. The proceeds were comprised of ARS 18,379,312 ($1,043,764) of cash proceeds received in Q3 2017 related to applications for the period from January 1 to September 30, 2016, ARS 1,975,260 ($133,966) of cash proceeds received in Q4 2017 related to applications for the period from October 1 to December 31, 2016 and $482,755 of publicly-traded BONAR 2020 bonds received in Q4 2017 related to applications in the amount of ARS 7,449,879 for the period from August 9, 2014 to December 31, 2015. The Company recognized New Gas Incentive Program income upon the receipt of proceeds due to uncertainty of the timing of collection.

Disposition of Short-term Bonds

During Q4 2017 and YE 2017, the Company recognized a $2,136 loss and a $11,734 gain, respectively, on the sale of BONAR 2020 bonds.

Disposition of Property and Equipment

During Q4 2017 and YE 2017, the Company recognized gains of $6,613 and $3,282, respectively, related to the sale of minor property and equipment.

Taxes

	Three months ended December 31		Year ended December 31	
	2018	**2017**	**2018**	**2017**
Current tax expense ($)	2,223,731	520,907	4,614,581	812,231
Deferred tax provision (recovery) ($)	(2,166,896)	(340,000)	(553,296)	319,000
Total tax expense ($)	56,835	180,907	4,061,285	1,131,231

Current tax expense is related to taxable income in Argentina generated by the Company's Argentine subsidiaries, Crown Point Energía S.A. and St. Patrick. During 2018, the Company paid ARS 15,563,979 ($812,231) of taxes payable related to 2017.

The deferred tax provision is primarily related to the effect of the devaluation of the ARS during 2018 on the translation of ARS denominated tax pools to USD. As at December 31, 2018, the Company's deferred tax liability was $7,329,504 (December 31, 2017 – $2,103,000).

CAPITAL EXPENDITURES

The Company recognized the following additions in exploration and evaluation ("**E&E**") assets during 2018, primarily related to CLL. Additions during 2017 primarily related to seismic processing and the drilling of SM x-1001 and RC x-1002 in the Rio Cullen and La Angostura concessions.

	Year ended December 31	
	2018	**2017**
Cerro de Los Leones	$ 3,028,110	$ 250,820
Rio Cullen and La Angostura	–	1,635,681
Capitalized VAT	–	361,866
Cash expenditures	3,028,110	2,248,367
Decommissioning revisions	(8,503)	(3,072)
Transfer to property and equipment assets [1]	–	(2,568,566)
	$ 3,019,607	$ (323,271)

[1] The Company transferred costs for the Rio Cullen and La Angostura concessions from E&E assets to developed and producing assets (a component of property and equipment assets) in December 2017. Subsequent expenditures on these concessions are included in drilling and completion expenditures for property and equipment assets noted below.

The Company also recognized the following additions (recoveries) to property and equipment assets during 2018 and 2017:

	Year ended December 31	
	2018	**2017**
Drilling and completion	$ 6,262,715	$ 560,211
Corporate assets	86,163	29,953
Recovery of capitalized VAT	–	(524,415)
Cash expenditures	6,348,878	65,749
Transfer from E&E assets	–	2,568,566
Acquisition of St. Patrick	35,623,800	–
Corporate asset disposition proceeds	–	(26,347)
Decommissioning revisions	940,050	(82,689)
	$ 42,912,728	$ 2,525,279

	Year ended December 31	
Allocation of cash expenditures:	**2018**	**2017**
TDF	$ 6,262,715	$ 560,211
Corporate	86,163	29,953
	$ 6,348,878	$ 590,164

During 2018, the Company incurred $6,262,715 of expenditures in the TDF area primarily related to drilling and completion of the SM a-1002 well, completion of the LFE-1004 well, drilling of the SM a-1003 and LR x-1001 wells, construction of the gas line for the SM x-1001 well, and other facilities improvements.

During 2017, the Company incurred $560,211 of expenditures primarily related to the improvement of facilities in the Las Violetas concession.

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 2018, the Company reported net income of $5,965,837 and net cash from operating activities of $21,635,531. The Company's adjusted funds flow from operations for the year ended December 31, 2018 was $19,220,789. As at December 31, 2018, the Company has significant future capital commitments to develop its properties and a $1,562,992 working capital deficit (2017 – $685,653 working capital surplus) including $2,194,072 of cash held in bank accounts. The December 31, 2018 working capital deficit is primarily due to an increase in trade and other payables related to the current drilling campaign and acquisition of 3-D seismic, current taxes payable and the current portion of contingent liability and loans related to the Acquisition of St. Patrick.

The Company anticipates using adjusted funds flow from operations, as well as additional debt and/or equity financings and potential joint venture arrangements to fund the Company's capital expenditure program in 2019. For details of the Company's 2019 capital expenditure program, see the Outlook section of this MD&A. As new opportunities arise or planned expenditures are revised, the Company is committed to raising the necessary funds required for operations and capital expenditures through equity financing, joint venture agreements, and debt. If more of the Company's properties become economic and productive, the additional cash flow generated will assist in funding the Company's future activities.

Short Form Prospectus Rights Offering

On May 23, 2018, the Company closed a rights offering (the "**Rights Offering**") pursuant to which the Company issued 40,000,000 common shares at $0.30 per share for gross proceeds of $12 million. Liminar Energia S.A. ("**Liminar**"), the Company's largest shareholder, acquired an aggregate of 26,666,667 common shares in connection with the Rights Offering, which increased its shareholdings to approximately 59.5% of the Company's issued and outstanding common shares.

In connection with the Rights Offering, Banco de Servicios y Transacciones S.A. ("**BST**") provided a commitment letter confirming that up to $14 million would be available to the Company under a new credit facility provided by BST and/or one or more lenders sourced by BST for the purposes of funding a portion of the purchase price for the Acquisition. The Company and BST share a common director, Pablo Peralta, who also controls significant shareholdings in both companies. The Company subsequently obtained the Acquisition Loan, the Bridge Loan, the Working Capital Loan and the Macro Working Capital Loan as disclosed below under Argentina Loans.

Contingent Liability

In connection with the Acquisition, the Company recognized a liability of $6,015,500 representing the estimated fair value of contingent royalty payments associated with the Acquisition. Under the terms of the royalty agreement, the Company will make quarterly payments over a ten-year period commencing on January 1, 2018 equal to 10% of the amount by which net revenue (oil and gas revenue less provincial royalties) received by St. Patrick from its 25.7796% participating interest in the TDF Concessions for the quarter exceeds certain base net revenue thresholds for such quarter. If in any quarter the net revenues received by St. Patrick do not exceed the base net revenue threshold for that quarter, then no royalty payment will be payable.

As at December 31, 2018, the Company re-measured the fair value of the contingent liability based on revisions to the expected future net revenues and other measurement inputs and recognized a fair value adjustment of $1,404,858 and made $353,812 of cash payments to the Vendor. As at December 31, 2018, the balance of the contingent liability was $7,066,546, of which $2,321,930 is classified as a current liability. The fair value of the contingent liability as at December 31, 2018 was estimated using the Black-Scholes pricing model based on net revenue volatility of 66% to 77% and a risk-free rate of 2.67% to 2.83%, over a term of 8 years.

Argentina Loans

In April 2018, the Company repaid the balance of its ARS denominated loan facility (ARS 4,354,166

($216,227)) with HSBC Argentina in full. The loan facility was secured by $157,000 of USD denominated GICs on deposit with a major Canadian financial institution which was released to the Company following the loan repayment.

On June 7, 2018, the Company obtained a $2.9 million loan facility from Banco Hipotecario (the "**Acquisition Loan**"). The Acquisition Loan was secured against certain accounts receivable to a maximum of $2.9 million that were applied against the loan when collected. The Acquisition Loan bore interest at a rate of 8% per annum, calculated and paid monthly, and was repaid in November and December 2018. The Acquisition Loan proceeds were used to pay a portion of the purchase price for the Acquisition. Personal loan guarantees were provided by two individuals (see the Related Party Transaction section of this MD&A).

On June 7, 2018, the Company obtained a $7.5 million bridge loan facility from Banco Macro (the "**Bridge Loan**"). The Bridge Loan was secured against certain accounts receivable to a maximum of $3.0 million that were applied against the loan when collected. The Bridge Loan bore interest at a rate of 8% per annum, calculated and paid monthly, and was repaid in one installment on June 27, 2018. The Bridge Loan proceeds were used to pay a portion of the purchase price for the Acquisition. Personal loan guarantees were provided by two individuals (see the Related Party Transaction section of this MD&A).

On June 19, 2018, the Company obtained a $1.1 million loan facility from Banco Hipotecario (the "**Working Capital Loan**"). The Working Capital Loan bore interest at a rate of 8% per annum, calculated and paid monthly, and was repaid in one installment on December 19, 2018. Personal loan guarantees were provided by two individuals (see the Related Party Transaction section of this MD&A).

On July 12, 2018, the Company obtained an ARS 13 million ($0.5 million) working capital loan from CMS de Argentina S.A. (the "**CMS Working Capital Loan**"). The CMS Working Capital Loan bore interest at a rate of 63% per annum, calculated and paid monthly, and was repaid in one installment on August 31, 2018.

On July 27, 2018, the Company obtained a $2 million loan facility from Banco Macro (the "**Macro Working Capital Loan**") secured by certain of the Company's accounts receivable to a maximum of $2 million applied against the loan when collected. The Macro Working Capital Loan bore interest at a rate of 7% per annum from the disbursement date to August 24, 2018 and at a rate of 10.5% per annum from August 24, 2018 to the date of repayment, calculated and paid monthly. The Macro Working Capital Loan was repaid in two installments of $1.2 million on September 4, 2018 and $0.8 million on September 17, 2018. Personal loan guarantees were provided by two individuals (see the Related Party Transaction section of this MD&A).

On August 30, 2018, the Company obtained an ARS 13 million ($0.3 million) overdraft agreement with Banco Saenz (the "**Banco Saenz Overdraft"**). The Banco Saenz Overdraft bore interest at a rate of 65% per annum, calculated and paid monthly, and was repaid in one installment on September 26, 2018. A loan guarantee was provided by ST Inversiones S.A. (see the Related Party Transaction section of this MD&A).

On October 11, 2018, the Company obtained an ARS 13 million ($0.3 million) overdraft agreement with Banco Saenz (the "The Banco Saenz 2nd Overdraft"). The Banco Saenz 2nd overdraft bore interest at a rate of 85% per annum, calculated and paid monthly, and was repaid in one installment on October 30, 2018.

On December 7, 2018, the Company obtained a $1.7 million loan facility from Banco Macro (the "**2nd Macro Working Capital Loan**") secured by certain of the Company's accounts receivable to a maximum of $1.7 million applied against the loan when collected. The 2nd Macro Working Capital Loan bore interest at a rate of 6.75% per annum, calculated and paid monthly, and was repayable on or before February 5, 2019. The loan was repaid on January 10, 2019. Personal loan guarantees were provided by two individuals (see the Related Party Transaction section of this MD&A).

As at December 31, 2018, the Company had $1,700,000 of bank debt, which was repaid in January 2019. As of the date of this MD&A, the Company had no bank debt.

RELATED PARTY TRANSACTIONS

Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of December 31, 2018, and the date of this MD&A, no revenue has been earned from the CLL Permit.

During Q4 2018 and YE 2018, the TDF UTE (of which the Company is a member) sold a portion of natural gas volumes to Energía y Soluciones S.A. for which the Company recognized $50,347 (ARS 1,860,912) and $233,663 (ARS 7,277,467), respectively, (Q4 2017 and YE 2017 – $29,512 (ARS 521,872) and $317,609 (ARS 5,205,039), respectively) of oil and gas revenue for its working interest share. Included in trade and other receivables as at December 31, 2018 is $23,045 (ARS 864,431) (2017 – $21,435 (ARS 399,786)) in respect of this revenue.

Messrs. Pablo Peralta and Roberto Domínguez personally guaranteed the Company's payment obligations under the Acquisition Loan, the Bridge Loan, the Working Capital Loan, the Macro Working Capital Loan and the 2nd Macro Working Capital Loan (collectively, the "**Loans**") disclosed above under Argentina Loans. Mr. Peralta is a director of the Company and is the President and a director of Liminar and controls 30% of the voting shares of Liminar. Mr. Domínguez controls approximately 30% of the voting shares of Liminar. Liminar owns approximately 59.5% of the Company's outstanding common shares. In consideration for the provision of the guarantee of the Loans, the Company agreed to pay to Messrs. Peralta and Domínguez an annual fee during the term of the Loans equal to 1% of the principal amount outstanding under the Loans on the date of such payment. During Q4 2018 and YE 2018, the Company incurred $17,000 and $152,832, respectively, of loan guarantee fees, of which $104,382 was paid on July 27, 2018. Subsequent payments will be made annually on the anniversary date of the first payment.

During Q4 2018 and YE 2018, the Company paid $nil and $3,340, respectively, of loan guarantee fees to ST Inversiones S.A. in relation to the guarantee of the Banco Saenz Overdraft. Messrs Peralta and Dominguez jointly control 100% of the voting shares of ST Inversions S.A.

During Q4 2018 and YE 2018, the Company paid $nil and $30,342, respectively, of interest to CMS de Argentina S.A.in respect of the CMS Working Capital Loan. Messrs Peralta and Dominguez jointly control 66% of the voting shares of CMS de Argentina S.A.

The following related party transactions are disclosed in the Liquidity and Capital Resources – Short Form Prospectus Rights Offering section of this MD&A:

- Liminar acquired an aggregate of 26,666,667 common shares in connection with the Rights Offering; and
- BST provided a commitment letter to the Company for up to $14 million of debt financing pursuant to which the Company obtained the Acquisition Loan, the Bridge Loan, the Working Capital Loan and the Macro Working Capital Loan. The Company and BST share a common director, Pablo Peralta, who also controls significant shareholdings in both companies.

During Q4 2017, Liminar acquired an aggregate of 10,717,815 common shares issued in connection with a rights offering completed in October 2017.

During Q4 2017, the Company was charged a fee of $216,131 by Liminar for the guarantee by Liminar of the Company’s payment obligations in relation to the Acquisition of St. Patrick. The $216,131 fee was included in transaction costs in the Q4 2017 and YE 2017 periods.

There were no other transactions between the Company and related parties of the Company during 2018 or 2017.

SUBSEQUENT EVENT

The Company repaid the 2nd Macro Working Capital Loan on January 10, 2019.

SHARE CAPITAL

Issued and outstanding	**Common Shares**	**Stock Options**
December 31, 2017	32,903,038	158,250
Issued	40,000,000	–
Expired	–	(117,250)
December 31, 2018 and date of MD&A	72,903,038	41,000

DIVIDENDS

The Company has not declared or paid any dividends. Any decision to pay dividends on any of its shares will be made by the Board of Directors of the Company on the basis of earnings, financial requirements and other conditions existing at the time.

COMMITMENTS

(a) TDF Concessions

The Company has a 51.56% working interest in the TDF area of Argentina covering approximately 489,000 acres (252,100 net acres) in the Austral Basin and includes the Las Violetas, La Angostura and Rio Cullen exploitation concessions. The term of each concession expires in August 2026. The Company's share of expenditure commitments with respect to the TDF Concessions are as follows:

Concession	Term of Expenditure Period	Required Expenditure Commitment
Rio Cullen	Until August 2026	$0.92 million, none of which was spent as of December 31, 2018.

(b) Cerro De Los Leones Concession

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

The following provides details of the work commitments required to be completed during each of the exploration periods:

Period	Term of Exploration Period	Required Work Commitment (1)
Period 1	Expired	Transferred to Period 2
Period 2	October 22, 2019 (2) (3)	A minimum of approximately $4.6 million in expenditures plus a minimum of 2 exploration wells at an estimated cost of $3.7 million. $3 million of expenditures had been incurred as of December 31, 2018.
Period 3	1 year commencing upon expiry of Period 2	1 exploration well at an estimated cost of $2.5 million

(1) The required work commitments are expressed as work units in the CLL Permit. Each work unit has an approximate dollar value of $5,000, however, other factors may be considered when determining whether work units have been satisfied.

(2) Should the Company fail to complete its work commitments within the specified time period, it must surrender the concession exploration lands and will be obligated to make a payment equal to the value of the Company's outstanding Period 2 work commitments.

(3) On March 13, 2019, the government of Mendoza Province issued Resolution N°119 pursuant to which the Company was granted an extension for the second exploration period to October 22, 2019 to provide the Company additional time to drill the exploration well that was originally committed, on the condition that the Company commit to drill one additional exploration well.

(c) Leased premises

The Company has two premises rentals in Buenos Aries for accommodations and office space with terms expiring on February 28, 2019 and March 31, 2020, respectively. Minimum monthly rentals are approximately $1,000 and $1,725, respectively.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair values of cash, trade and other receivables and trade and other payables are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2018 and 2017, the fair value of these balances approximated their carrying amount due to their short term to maturity. The fair values of bank debt are based on the discounted present value of future cash flows and approximate carrying amounts and the fair value of the contingent liability is determined using the Black-Scholes pricing model.

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

NEW ACCOUNTING STANDARDS

On January 1, 2018, the Company retrospectively adopted IFRS 9 Financial Instruments ("**IFRS 9**") which includes new requirements for the classification and measurement of financial assets, a new credit loss impairment model and new model to be used for hedge accounting for risk management contracts. The Company does not currently have any risk management contracts. The adoption of IFRS 9 did not have a material impact on the Company's financial statements and management applied the provision matrix practical expedient as part of the adoption of the standard. The additional disclosures required by IFRS 9 are detailed in Note 6 to the audited December 31, 2018 consolidated financial statements.

On January 1, 2018, the Company adopted IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**") using the retrospective method of adoption. The adoption of IFRS 15 did not have a material impact on the Company's financial statements and as a result, the Company did not apply any practical expedients as part of the adoption of IFRS 15. The additional financial statement disclosures required by IFRS 15 are detailed in Note 17 to the audited December 31, 2018 consolidated financial statements.

FUTURE ACCOUNTING STANDARDS

IFRS 16 Leases

In January 2016, the International Accounting Standards Board issued IFRS 16 Leases ("IFRS 16") which replaces the previous leases standard, IAS 17 Leases ("IAS 17"). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model.

IFRS 16 will result in almost all leases being recognized in the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under IFRS 16, an asset (the right-to-use the leased item) and a financial liability are recognized. On initial adoption, the Company anticipates that it will elect to use the following practical expedients permitted under the standard:

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

IFRS 16 is effective for periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of IFRS 16 and the extent of the impact on its consolidated financial statements has not been determined.

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 2018	September 30 2018	June 30 2018	March 31 2018	December 31 2017	September 30 2017	June 30 2017	March 31 2017
Working capital ($)	(1,562,992)	(4,974,493)	(7,626,412)	2,239,833	685,653	3,069,104	(498,095)	(711,630)
Oil and gas revenue ($)	19,406,279	16,560,691	7,158,826	5,541,446	3,132,145	3,072,252	4,009,250	2,773,174
Petróleo Plus Proceeds ($)	–	–	–	–	–	1,874,376	–	–
New Gas Incentive Program payments ($)	–	–	–	–	616,721	1,043,764	–	–
Net income (loss) ($)	2,567,130	4,074,610	(948,682)	272,779	(743,709)	804,239	(1,038,338)	(567,457)
Basic and diluted net income (loss) per share [(1)] ($)	0.04	0.06	(0.02)	0.01	(0.03)	0.05	(0.06)	(0.03)
Net cash from operating activities ($)	7,713,567	4,516,249	7,366,472	2,039,243	2,294,650	1,630,595	173,954	634,124
Acquisition of St. Patrick ($)	–	–	21,744,682	–	6,750,000	–	–	–
Expenditures on property and equipment and E&E assets ($)	171,576	6,511,775	2,569,933	123,704	653,287	25,553	448,875	1,186,401
Total assets ($)	85,128,625	73,197,889	73,946,551	40,943,655	40,856,370	38,486,461	37,653,657	38,946,401
Bank debt ($)	1,700,000	4,000,000	4,000,000	216,227	812,208	2,096,786	2,736,214	2,258,382

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

- Net income decreased in Q4 2018 due to export taxes and the fair value adjustment on the contingent liability which were partially offset by higher sales of oil.
- Working capital deficit improved in Q4 2018 due to increase in cash and trade and other receivables related to the increase in oil sales.
- Net income in Q3 2018 is mainly due to higher sales of oil combined with an increase in the price of oil.
- Working capital improved in Q3 2018 due to the decrease in accounts payable combined with the increase in accounts receivable due to higher sales in Q3 2018.
- Net loss in Q2 2018 is mainly due to transaction costs related to the Acquisition of St. Patrick and current tax expense on taxable income in Argentina.
- Working capital decreased in Q2 2018 due to the increase in accounts payable related to the drilling campaign, current and withholding taxes payable and the current portion of contingent liability and loans obtained for the Acquisition of St. Patrick.
- Net income in Q1 2018 is mainly due to higher sales of inventoried volumes of oil in Q1 2018 and an increase in oil and natural gas prices.
- Working capital increased in Q1 2018 due to the collection of receipts for oil sales.
- Net loss in Q4 2017 is mainly due to an increase in G&A expenses, acquisition transaction costs for the proposed acquisition of St. Patrick and income tax expense in Argentina.
- Working capital decreased in Q4 2017 due to the payment of a $6.75 million deposit to acquire all of the issued and outstanding shares of St. Patrick.
- Net income in Q3 2017 is mainly due to the proceeds from the Petróleo Plus Program and New Gas Incentive Program.
- Working capital increased in Q3 2017 due to the short-term bonds received as proceeds from the Petróleo Plus Program and cash proceeds from the New Gas Incentive Program.
- Net loss in Q2 2017 is higher than in Q1 2017 due primarily to higher G&A in Q2 2017 and the recovery of deferred tax in Q1 2017 which was offset by a deferred tax provision in Q2 2017.
- Working capital deficit decreased in Q2 2017 due to the payment of trade and other payables.

BUSINESS RISKS AND UNCERTAINTIES

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

- risks associated with operations in emerging markets, including changes in energy policies or personnel administering them, nationalization of the Company's assets, the development and/or persistence of hyper-inflationary conditions, currency fluctuations between the USD, the CDN and the ARS and/or devaluations of the ARS, monetary and currency exchange controls, export controls, export taxes and changes in royalty and tax rates;
- the risks of the oil and gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- general economic conditions in Canada, Argentina and globally;
- the ability of management to execute its business plan;
- reliance on third party operators and joint venture partners to satisfy their commitments under existing agreements and arrangements and to carry out operations in a safe, efficient and effective manner;
- the risks of disputes with third party operators and joint venture partners and the effect that such disputes can have on the Company's operations and results, including the risks associated with the ongoing ROFR dispute and ROFR Sale related to the arbitration proceedings arising from the Acquisition (see the Acquisition of St. Patrick Oil & Gas S.A. section of this MD&A for details);
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom and the risk that the value of such reserves may be impaired in future periods;
- fluctuations in the price of oil and natural gas, interest rates and exchange rates;
- the risk that the Company will not be able to reduce its operating costs and thereby improve the return on its investments;
- lack of diversification of the Company's oil and gas interests;
- the impact of work disruption and labour unrest on the Company's operations;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;
- the ability to enter into, renew and/or extend leases and/or concessions;
- constraints on foreign subsidiaries to make payments to the Company;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures including delays arising as a result of the Company's inability to obtain the necessary oilfield services required, including drilling and fracture stimulation equipment and related personnel;
- the insufficiency of cash flow to fund operations;
- uncertainty of finding reserves and developing and marketing those reserves;
- unanticipated operating events, which could reduce production or cause production to be shut in or delayed;
- the ability of management to identify and complete potential acquisitions;
- if completed, the failure to realize the anticipated benefits of acquisitions (including the Acquisition);
- incorrect assessments of the value of acquisitions (including the Acquisition);
- ability to locate satisfactory properties for acquisition or participation;
- shut-ins of connected wells resulting from extreme weather conditions;
- insufficient storage or transportation or processing capacity for the Company's production;
- hazards such as fire, explosion, blowouts, cratering and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;

- the failure to satisfy work commitments by the applicable deadline and the resulting loss of exploration and exploitation rights and, in the case of CLL, the resulting obligation to pay the value of such unsatisfied work commitments to the provincial government;
- the enforcement of civil liability in Argentina;
- risks associated with conflicting interests with partners;
- income tax reassessments and other taxes payable by the Company;
- the ability to add production and reserves through development and exploration activities;
- governmental regulation of the oil and gas industry, including the possibility that governments, government policies or laws, including laws and regulations related to the environment, may change in a manner that is adverse to the Company, or that governmental approvals may be delayed or withheld;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- risks associated with having a control person owning approximately 59.5% of the Company's shares and two representatives on the board of directors, including the potential that the control person may exert a significant amount of influence over the Company's affairs and that the liquidity of the Company's common shares may decline;
- risks associated with having two shareholders who control approximately 74.6% of the Company's shares, including that the liquidity of the Company's common shares may decline;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel; and
- the availability of capital on acceptable terms to fund the Company's capital programs and acquisitions, including the ability of the Company to obtain new credit facilities, renegotiate the terms of its existing credit facilities and/or repay the principal and interest owing under its existing credit facilities.

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

LEGAL, ENVIRONMENTAL, REMEDIATION AND OTHER CONTINGENT MATTERS

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

NON-IFRS MEASURES

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

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

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

	Three months ended December 31		Year ended December 31	
	2018	2017	2018	2017
Cash flows from operations ($)	12,146,474	2,294,650	21,635,531	4,733,323
Decommissioning expenditures ($)	4,505	–	25,485	25,119
Changes in non-cash working capital ($)	(2,412,809)	(309,001)	(2,440,227)	(445,458)
Adjusted funds flow from operations ($)	9,738,170	1,985,649	19,220,789	4,312,984
Weighted average number of shares	72,903,038	28,790,164	58,209,170	19,561,536
Adjusted funds flow per share - operations	0.13	0.07	0.34	0.22

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

ABBREVIATIONS AND BOE PRESENTATION

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

3-D	-	three dimensional
API	-	American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale
bbl	-	barrel
bbls	-	barrels
BOE	-	barrels of oil equivalent
km	-	kilometres
km^2	-	square kilometres
mcf	-	thousand cubic feet
mmcf	-	million cubic feet
NGL	-	natural gas liquids
Q1	-	three months ended March 31
Q2	-	three months ended June 30
Q3	-	three months ended September 30
Q4	-	three months ended December 31
UTE	-	Union Transitoria de Empresas, which is a registered joint venture contract established under the laws of Argentina
YPF	-	Yacimientos 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 current price of crude oil as compared to natural gas in Argentina is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

ADVISORIES

Forward-Looking Information

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

This MD&A contains forward-looking information concerning, among other things, the following: under "Corporate Overview and Strategy", all elements of the Company's business strategy in the TDF Concessions and CLL Permit, certain planned future operations of the Company in furtherance of the Company's business strategy; under "Arbitration and Exercise of Rights of First Refusal", following the ROFR Sale proceeds, Crown Point's and its wholly-owned subsidiary St. Patrick's collective participating interest in TDF Concessions; under "Acquisition of St. Patrick Oil & Gas S.A." the amount of contingent royalty payment; under "Operational Update – TDF Concessions", t the Company's expectation that its prospect identification and evaluation will develop additional exploration, step-out and appraisal locations; under "Operational Update – CLL Permit", the operations that the Company intends to conduct on the CLL Permit and the Company's ability to obtain a partner in the CLL Permit to share future capital costs and provide capital cost recovery opportunities; under "Outlook – Capital Spending", our estimated capital expenditures for 2019, the allocation of such capital expenditures between our TDF Concessions and CLL Permit, the operational activities that we expect to complete during 2019, the continued evaluation of the Company's 2019 budget proposal, and our expectations for how we will fund our capital programs during these periods; under "Results of Operations – Royalties", changes in commodity prices may increase royalty rates; under "Results of Operations – Operating Costs", rates for field personnel or trucking may be adjusted in the event of significant changes to the ARS and USD exchange rate; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks and our expectations for how we will fund our capital expenditure program in 2019; under "Liquidity and Capital Resources – Contingent Liability", the estimated cash flows used to calculate the fair value of the contingent liability. Actual results achieved during the forecast period will vary from the information provided in this MD&A as a result of numerous known and unknown risks and uncertainties and other factors.

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

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

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

Analogous Information

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

Well-Flow Test Results and Initial Production Rates

Any references in this document to well-flow test results, swab test rates and/or initial production rates are useful in confirming the presence of hydrocarbons, however, such test results and rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such test results and rates in calculating the aggregate production for the Company. Well-flow test results, swab test rates and initial production rates may be estimated based on other third party estimates or limited data available at the time. Well-flow test result data should be considered to be preliminary until a pressure transient analysis and/or well-test interpretation has been carried out. In all cases in this document, well-flow test results and initial production results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

ADDITIONAL INFORMATION

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