CROWN POINT ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") of the consolidated financial results of Crown Point Energy Inc. ("**Crown Point**" or the "**Company**") is at and for the three and nine months ended September 30, 2020.

This MD&A is dated as of November 25, 2020 and should be read in conjunction with the Company's unaudited September 30, 2020 condensed interim consolidated financial statements and the audited December 31, 2019 consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Effective January 1, 2020, the Company's wholly-owned subsidiaries Crown Point Energía S.A. and St. Patrick Oil & Gas S.A. ("**St. Patrick**") were amalgamated and continued under the name Crown Point Energía S.A. The September 30, 2020 unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Crown Point Energía S.A..

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

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

Additional information relating to Crown Point, including Crown Point's unaudited September 30, 2020 condensed interim consolidated financial statements, audited December 31, 2019 consolidated financial statements and other filings are available on SEDAR at www.sedar.com.

In the following discussion, the three and the nine months ended September 30, 2020 may be referred to as "Q3 2020" and "the September 2020 period", respectively, and as "the 2020 periods" collectively. The comparative three and nine months ended September 30, 2019 may be referred to as "Q3 2019" and "the September 2019 period", respectively, and as "the 2019 periods", collectively. The previous three month period ended June 30, 2020 may be referred to as "Q2 2020".

CORPORATE OVERVIEW AND STRATEGY

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

The Company's strategy is designed to deliver low-risk growth and capitalize on large potential exploration upside. Specifically, Crown Point is focused on increasing its production base in TDF through exploration and development drilling supplemented by recompletion and fracture stimulation of select older producing wells. 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**").

Crown Point is also conducting an exploration program in its 100% interest in the Cerro de Los Leones ("**CLL**") exploration concession permit (the "**CLL Permit**") in the Province of Mendoza.

COVID-19

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

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

The current situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgements made by management in the preparation of the Company's September 30, 2020 condensed interim consolidated financial statements are difficult and subject to a higher degree of measurement uncertainty during this volatile period.

OPERATIONAL UPDATE

<u>TDF Concessions</u>

<u>La Angostura Concession</u>

Repair work at the YPF operated Cruz del Sur oil storage and offshore tanker loading facility was completed and the facility was reopened in August 2020. On August 31, 2020, the Company sold 27,173 bbls of oil, held in stock at Cruz del Sur since September 2019, for $30.90 per bbl.

On September 4, 2020, oil production from the San Martin oil pool, previously shut in on March 24, 2020 due to low pricing and no export access, was restarted at an initial restricted average rate of 1,475 (net 512) bbls of oil per day. During October 2020 oil production was increased to an average of 2,328 (net 809) bbls of oil per day. Oil is now transported through the newly commissioned Company-owned oil pipeline (the "**San Martin oil pipeline**") connecting the field to the Cruz del Sur facility for storage and subsequent sale, negating the need for trucking and lowering transportation costs.

<u>Las Violetas Concession</u>

Natural gas production from the Las Violetas concession remained uninterrupted during the September 2020 period. Oil produced in association with natural gas production was being trucked to and stored at Total's Rio Cullen offshore loading facility and subsequently sold in conjunction with Total oil sales in July and September 2020 for an average price of $31.11 per bbl. With the reopening of the Cruz del Sur facility in late August 2020, associated oil production is now trucked to the San Martin field, blended with San Martin oil and transported via the San Martin oil pipeline to Cruz del Sur for storage and sale.

The workover for gas well LF-1029 originally scheduled in the second half of 2020 has been deferred.

<u>CLL Permit</u>

As at September 30, 2020, the Company is committed to drilling one exploration well on the CLL Permit before February 23, 2021 under the Period 3 one-year term of the CLL Permit. Under the terms of the CLL Permit, the Company was obliged to relinquish 50% of the acreage outstanding at the end of the Period 2 term (February 23, 2020) at the request of the Province of Mendoza. As at the date of this MD&A, the Province had not yet made a relinquishment request and the CLL Permit area remains at 100,907 acres.

See the Commitments section of this MD&A.

OUTLOOK

Capital Spending

The Company's capital spending for the last quarter of 2020 is budgeted at $0.5 million for improvements to facilities in TDF and one well workover on the La Angostura concession.

The Company's capital spending for fiscal 2021 is budgeted at $1.5 million in TDF based on expenditures for ongoing improvements to facilities in TDF.

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

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

Argentina – COVID-19 and Economic Summary

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

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

The May 28, 2020 federal government decree which set the price for 34°API Medanito light sweet crude oil at $45 per bbl (the "**$45 Barril Criollo**") (which was adjusted for each type of crude oil by quality and other inputs), was repealed on August 28, 2020 following a 10-day period during which the Brent price exceeded $45 per bbl.

In conjunction with the repeal of the decree, the export tax on crude oil sales was reinstated. 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.

Commodity Prices

Oil

Oil from the Company's TDF Concessions is sold at a discount to the Brent oil price. The Company received an average of $30.99 per bbl for its TDF oil sold during Q3 2020, had no oil sales during Q2 2020 and received an average of $43.83 per bbl during Q1 2020.

Natural gas

Crown Point can sell its natural gas production to both industrial and residential consumers. The Company received an average of $2.46 per mcf for its TDF natural gas sold during Q3 2020, $2.24 per mcf for natural gas sold during Q2 2020 and $2.01 per mcf for natural gas sold during Q1 2020, most of which was sold to the industrial market.

FINANCIAL INFORMATION

SUMMARY OF FINANCIAL INFORMATION

(expressed in $, except shares outstanding)	September 30 2020	December 31 2019	December 31 2018
Working capital (deficit)	714,010	1,831,197	(1,562,992)
Exploration and evaluation assets	11,153,047	10,920,359	9,032,994
Property and equipment	19,208,135	31,151,688	54,750,958
Non-current contingent consideration receivable (1)	–	1,634,740	–
Total assets	36,976,713	55,638,052	85,128,625
Non-current financial liabilities (2)	737,129	3,283,943	4,744,616
Share capital	56,456,328	56,456,328	131,745,215
Total common shares outstanding	72,903,038	72,903,038	72,903,038

(expressed in $, except shares outstanding)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Oil and natural gas sales revenue	2,435,673	9,595,656	7,705,217	35,357,653
Impairment of property and equipment and goodwill	–	–	9,985,549	–
(Loss) income before taxes	(1,470,425)	1,503,428	(13,361,874)	6,929,059
Net (loss) income	(1,276,965)	(319,888)	(10,604,900)	(529,560)
Net (loss) income per share (3)	(0.02)	(0.00)	(0.15)	(0.01)
Net cash (used by) from operating activities	26,128	3,752,375	(958,809)	13,432,262
Net cash per share – operating activities (3)	0.00	0.05	(0.01)	0.18
Funds flow (used by) from operating activities (4)	(530,418)	2,406,576	(158,765)	8,499,645
Funds flow per share – operating activities (3)(4)	(0.01)	0.03	(0.00)	0.12
Weighted average number of shares	72,903,038	72,903,038	72,903,038	72,903,038

(1) The total amount of contingent consideration receivable at September 30, 2020 is $70,116 (December 31, 2019 – $2,367,389), all of which (December 31, 2019 – $732,649) is classified as current.

(2) Non-current financial liabilities are comprised of lease liabilities and the contingent consideration liability. The total amount of lease liabilities at September 30, 2020 is $904,089, of which $166,960 is classified as current (December 31, 2019 – $950,377 of which $171,202 was classified as current). The total amount of contingent consideration liability outstanding at September 30, 2020 is $nil (December 31, 2019 – $3,652,693, of which $1,147,925 was classified as current).

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

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

RESULTS OF OPERATIONS

Results of Operations – TDF

Operating Netback

	Three months ended September 30		Nine months ended September 30	
Per BOE	2020	2019	2020	2019
Oil and gas revenue ($)	21.34	41.42	22.63	42.05
Export tax ($)	0.12	(2.31)	(0.74)	(2.88)
Royalties ($)	(4.39)	(6.71)	(3.78)	(6.47)
Operating costs ($)	(12.90)	(11.32)	(14.09)	(10.55)
Operating netback (1) ($)	4.17	21.08	4.02	22.15

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

Variances in the TDF operating netback for the 2020 periods as compared to the 2019 periods are explained by changes in sales volumes and revenues, export taxes, royalties and operating costs as detailed below.

Sales Volumes and Sales Revenues

Sales volumes	**Three months ended September 30**		**Nine months ended September 30**	
	2020	**2019**	**2020**	**2019**
Light oil (bbls)	46,298	143,145	123,061	485,085
NGL (bbls)	–	517	592	3,072
Natural gas (mcf)	406,882	528,126	1,301,332	2,115,622
Total BOE	114,112	231,683	340,542	840,761
Light oil bbls per day	503	1,556	449	1,777
NGL bbls per day	–	6	2	11
Natural gas mcf per day	4,423	5,741	4,749	7,750
Total BOE per day	1,240	2,518	1,243	3,080

Sales revenue	**Three months ended September 30**		**Nine months ended September 30**	
	2020	**2019**	**2020**	**2019**
Light oil ($)	1,434,697	7,705,140	4,799,087	26,916,486
NGL ($)	–	9,792	10,035	52,053
Natural gas ($)	1,000,976	1,880,724	2,896,095	8,389,114
Total sales revenue	2,435,673	9,595,656	7,705,217	35,357,653
Light oil per bbl ($)	30.99	53.83	39.00	55.49
NGL per bbl ($)	–	18.93	16.93	16.94
Natural gas per mcf ($)	2.46	3.56	2.23	3.97
Total sales revenue per BOE ($)	21.34	41.42	22.63	42.05

<u>TDF Sales Volumes</u>

During Q3 2020, the Company's average daily sales volumes were 1,240 BOE per day, higher than 775 BOE per day in Q2 2020 mainly due to the recommencement of oil sales following the re-opening of the Cruz del Sur facility. Lower Q3 2020 daily sales volumes than 2,518 BOE per day in Q3 2019 is due to lower production from natural gas wells due to natural decline rates combined with delivery restrictions at the Cruz del Sur terminal that required the UTE to shut-in the San Martin field from March 24, 2020 to September 4, 2020.

TDF sales volumes were weighted as follows:

	Three months ended September 30		**Nine months ended September 30**	
	2020	**2019**	**2020**	**2019**
Light oil	41%	62%	36%	58%
NGL	–	–	–	–
Natural gas	59%	38%	64%	42%
Total	100%	100%	100%	100%

<u>TDF Production Volumes</u>

TDF average daily production volumes for Q3 2020 were 1,094 BOE per day, higher than 887 BOE per day in Q2 2020 mainly due to the restart of oil production from the San Martin field on September 4, 2020, and lower than 2,531 BOE per day in Q3 2019 mainly due to lower production from natural gas wells due to natural decline rates combined with the shut-in of the San Martin field from March 24, 2020 to September 4, 2020.

Production volumes	**Three months ended September 30**		**Nine months ended September 30**	
	2020	**2019**	**2020**	**2019**
Light oil (bbls)	31,796	141,818	115,115	543,199
NGL (bbls)	–	569	527	3,259
Natural gas (mcf)	406,882	528,126	1,301,332	1,587,496
Total BOE	99,610	230,408	332,531	811,041
Light oil bbls per day	349	1,558	420	1,990
NGL bbls per day	–	6	2	12
Natural gas mcf per day	4,471	5,804	4,749	5,815
Total BOE per day	1,094	2,531	1,214	2,971

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

Oil (and related NGL) production from TDF may be either (1) stored then shipped for sale to the domestic market and/or international brokers for export or (2) trucked and sold to Chile. The sale of crude oil transported by ship from TDF can be impacted by intermittent shipments due to storage levels and weather conditions and/or by delivery restrictions arising as a result of repair and maintenance activities at the shipping terminal. Oil and NGL sales volumes may include both previously inventoried volumes as well as current period production. As at September 30, 2020, all previously inventoried oil production was sold as well as a portion of oil produced in Q3 2020, with excess oil production stored in inventory for sale in subsequent months.

For the nine months ended September 30	**Oil**				**NGL**			
	2020		**2019**		**2020**		**2019**	
	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day	bbls	bbls per day
Inventory, January 1	40,849		–		1,884		2,884	
Production	115,115	420	543,199	1,990	527	2	3,259	12
Sales	(123,061)	(449)	(485,085)	(1,777)	(592)	(2)	(3,072)	(11)
Disposition of participating interest	–		(24,435)		–		(1,132)	
Inventory, September 30	32,903		33,679		1,819		1,939	

<u>TDF Revenues and Pricing</u>

TDF revenue per BOE earned in Q3 2020 was approximately $21.34 per BOE, higher than TDF revenue per BOE of $13.47 earned in Q2 2020 due to there not being any oil sales in Q2 2020, and lower than $41.42 per BOE earned in Q3 2019 due to a decrease in oil sales combined with an industry-wide decrease in commodity prices.

Of the commodities produced from the TDF Concessions, only natural gas is subject to seasonal demand. Residential demand for natural gas in Argentina is higher during the colder months of April through October. Historically, sales to the residential market earned a lower price than sales to the industrial market. However, in 2019, non-conventional shale gas production by other companies increased dramatically and this increase in production, coupled with a lack of demand due to an economic recession, drove down the industrial market gas price considerably.

The price earned by the Company on TDF natural gas sales in Q3 2020 averaged $2.46 per mcf, higher than $2.24 per mcf earned in Q2 2020 and lower than $3.56 per mcf earned in Q3 2019. The price of natural gas earned by the Company varies with the composition of sales to the residential and industrial markets and price fluctuations within each market. During Q3 2020, 100% of sales were to the industrial market at an average price of $2.46 per mcf (Q2 2020 – 98% industrial at $2.25 per mcf; 2% residential at $2.86 per mcf;

Q3 2019 – 77% industrial at $3.46 per mcf; 23% residential at $3.57 per mcf).

Oil from Crown Point's TDF Concessions earned $30.99 in Q3 2020, lower than $43.83 per bbl earned in Q1 2020 (there were no Q2 2020 oil sales) and $53.83 per bbl earned in Q3 2019, due to a decline in the average price of Brent oil resulting from a drop in global crude oil demand triggered by the impact of the COVID-19 virus on the global economy combined with the impact of the breakdown in negotiations between OPEC and non-OPEC partners regarding proposed production cuts.

The Company did not have any TDF NGL sales in Q3 2020. The price earned by the Company on TDF NGL sales was $15.83 per bbl in Q2 2020 and $18.93 per bbl in Q3 2019.

Export Tax

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Export tax ($)	(13,183)	534,373	252,888	2,425,017
Export tax as a % of oil sales revenue	(1%)	6%	5%	7%
Export tax per BOE ($)	(0.28)	2.31	2.05	2.88

In September 2018, the Government of Argentina imposed a 12% export tax on all goods exported from Argentina, to a maximum of 4 ARS per 1 USD of export sales revenue. In late December 2019, the maximum of 4 ARS per 1 USD of export sales revenue was lifted and the export tax rate was reduced to 8%. While the $45 Barril Criollo was in force from May 18 to August 27, 2020, export taxes on crude oil were 0%. The export tax was reinstated at a variable rate on August 28, 2020 following the repeal of the $45 Barril Criollo. See Argentina – COVID-19 and Economic Summary in the Outlook section of this MD&A.

The Company recognizes export taxes related to oil sales to the export market. The recovery of export tax recognized in Q3 2020 relates to adjustments to export taxes on Q1 2020 oil sales offset by export taxes on oil sales between August 28 and September 30, 2020.

Royalties

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Provincial royalties ($)	500,623	1,553,440	1,285,862	5,439,758
Royalties as a % of total sales revenue	20.6%	16.2%	16.7%	15.4%
Royalties per BOE ($)	4.39	6.71	3.78	6.47

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

Royalties as a % of total sales revenue are higher in Q3 2020 than in Q3 2019 due to the sale of inventoried oil volumes in Q3 2020 that were produced in 2019 and the first half of 2020 when oil sales prices were higher which therefore resulted in higher royalties, on a per BOE basis, attributed to their inventory value. The sale of inventoried oil in Q3 2020 occurred at a lower oil price, thereby skewing the Q3 2020 royalty rate.

Operating Costs

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Production and processing ($)	1,468,241	1,767,554	3,673,867	6,302,276
Transportation and hauling ($)	2,864	854,561	1,122,482	2,560,732
Total operating costs ($)	1,471,105	2,622,115	4,796,349	8,863,008

Production and processing per BOE ($)	12.87	7.63	10.79	7.50
Transportation and hauling per BOE ($)	0.03	3.69	3.30	3.05
Operating costs per BOE ($)	12.90	11.32	14.09	10.55

The Company incurs certain fixed operating costs regardless of the quantity of sales volumes. The increase in total operating costs per BOE in the 2020 periods is partly due to the decline in sales volumes in the 2020 periods as compared to the 2019 periods which results in a higher fixed portion of operating costs per BOE in the 2020 periods.

Production and processing costs per BOE are higher in the 2020 periods than in the 2019 periods due mainly to the decline in sales volumes and to higher delivery expenses charged at the terminal which more than offset the lowering of costs resulting from the devaluation of the ARS against the USD. During the September 2020 period, the ARS declined 27% against the USD. A portion of the Company's operating costs, including rates for field personnel and trucking, are set and settled in ARS based on the ARS to USD exchange rate at a particular point in time. Rates for field personnel and trucking may be subsequently adjusted in the event of significant changes in the ARS to USD exchange rate.

Transportation and hauling costs consist of contracted services hired to perform vacuum truck and transportation activities for crude oil. Transportation and hauling costs per BOE are lower in Q3 2020 than in Q3 2019 as oil sold in Q3 2020 was transported through the newly commissioned San Martin oil pipeline to the Cruz del Sur facility for storage and subsequent sale, negating the need for trucking and lowering transportation costs. During Q3 2019, oil was either trucked from the San Martin field to the Company's TDF facilities for storage and subsequent sale or was trucked to Chile for sale.

During Q2 2020 and early Q3 2020, the Company and its participating interest partners implemented procedures to reduce the variable and fixed operating costs of producing properties in the TDF Concessions. These measures have begun to lower operating costs, however, the result is not reflected on a per BOE basis due to lower sales volumes in the 2020 periods as compared to the 2019 periods.

G&A Expenses

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Salaries and benefits ($)	263,860	285,871	817,938	1,362,214
Professional fees ($)	136,253	474,660	448,336	1,236,764
Office and general ($)	50,400	66,010	170,252	182,873
Travel and promotion ($)	14,903	51,943	44,812	141,976
	465,416	878,484	1,481,338	2,923,827

Salaries and benefits are lower in the 2020 periods than in the 2019 periods due in part to a reduction of certain benefits during the COVID-19 quarantine period, the temporary leave of an employee and the devaluation of the ARS against the USD which resulted in lower salary costs for Argentine employees. However, the primary reason for the variance is that salaries and benefits in the September 2019 period include bonuses paid to officers and employees, whereas no bonuses were paid in the 2020 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 2020 periods than in the 2019 periods due mainly to a reduction in geological and engineering consulting fees.

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

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

Depletion and Depreciation

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
TDF depletion ($)	1,256,007	1,947,286	4,278,957	7,374,561
Depreciation ($)	44,804	55,758	134,619	164,822
	1,300,811	2,003,044	4,413,576	7,539,383
TDF depletion rate per BOE ($)	11.01	8.40	12.57	8.77

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

The TDF depletion rate per BOE is higher in the 2020 periods than in the 2019 periods due mainly to a decrease in the proved plus probable reserves estimated in the internally prepared mechanical update of the externally prepared December 31, 2019 reserve report as compared to the externally prepared 2018 reserve report. The decrease in proved plus probable reserves in the mechanical update of the externally prepared 2019 reserve report is attributable to the sale by the Company of a 16.83% participating interest in the TDF Concessions in April 2019 (the "ROFR Sale"), a significant reduction in oil prices and domestic gas prices and the absence of a drilling campaign in 2019 to replace 2019 oil and gas production.

The TDF depletion rate per BOE is lower in Q3 2020 as compared to the September 2020 period due to the effect of the $8.25 million impairment recognized in Q1 2020.

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

Share-based Payments

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

During the September 2020 period, the Company recognized $139,281 of share-based payment expense as compared to $383,237 recognized in the September 2019 period. As at September 30, 2020, the balance of unvested share-based payments was $55,805.

Foreign Exchange Gain (Loss)

During Q3 2020 and the September 2020 period, the Company recognized foreign exchange gains of $17,184 and $555,370, respectively, compared to a $123,765 foreign exchange loss in Q3 2019 and an $845,241 foreign exchange gain in the September 2019 period.

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

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

Exchange rates [1] as at:	September 30 2020	December 31 2019
CAD to USD	0.7507	0.7714
ARS to USD	0.0131	0.0167
USD to ARS	76.1743	59.8700

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

In Crown Point, the translation of USD denominated foreign net monetary liabilities to CAD during the September 2020 period resulted in a foreign exchange gain of approximately $55,900 (September 2019 period – $48,700 foreign exchange loss).

Notwithstanding that the functional currency of the Company's Argentine subsidiary is the USD, a portion of monetary assets and liabilities such as accounts receivable 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 subsidiary, the translation of ARS denominated net monetary liabilities to USD during the September 2020 period resulted in a foreign exchange gain of approximately $449,400 (September 2019 period – $894,000 foreign exchange gain).

Currency devaluation in Argentina affects the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiary. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During the September 2020 period, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 14% (September 2019 period – devaluation of ARS; lower by 23%).

During the September 2020 period, 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 $726,000 (September 2019 period – devaluation of ARS; reduction by approximately $2.3 million).

The effect of currency devaluation on ARS denominated bank debt during the September 2020 period was a $229,784 reduction in the USD equivalent amount.

Net Finance Expense

	Three months ended September 30		**Nine months ended September 30**	
	2020	**2019**	**2020**	**2019**
Interest income ($) [1]	7,212	71,729	41,828	223,290
Financing fees and bank charges ($) [2]	(61,439)	(163,569)	(176,226)	(793,021)
Interest on bank debt ($)	(92,712)	–	(232,150)	(3,069)
Loan guarantee recovery ($)	–	48,000	–	48,000
Accretion of decommissioning provision($)	(29,060)	(35,235)	(77,037)	(122,992)
Interest on lease liabilities ($)	(16,815)	(19,641)	(51,818)	(68,142)
Net finance expense ($)	(192,814)	(98,716)	(495,403)	(715,934)

(1) Interest income is earned on interest-earning bank accounts.

(2) Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers.

Taxes

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Current tax expense ($)	–	2,100,172	–	8,739,896
Deferred tax (recovery) provision ($)	(193,460)	(276,856)	(2,756,974)	(1,281,277)
Total tax (recovery) provision ($)	(193,460)	1,823,316	(2,756,974)	7,458,619

Current tax expense is related to taxable income in Argentina generated by the Company's Argentine subsidiary, Crown Point Energía S.A.. The subsidiary was not taxable in the September 2020 period.

The deferred tax recovery in the 2020 periods is related to the reduction in the carrying amount of property and equipment and contingent consideration receivable combined with changes in the Company's ARS denominated tax pools and the effect of a reduction in the tax rate applied to certain temporary tax differences and the devaluation of the ARS during the period on the translation of ARS denominated tax pools to USD. As at September 30, 2020, the Company's deferred tax liability was $722,749 (December 31, 2019 – $3,479,723).

CAPITAL EXPENDITURES

The Company recognized the following additions in exploration and evaluation ("**E&E**") assets during the September 2020 period and September 2019 period related to CLL. In the latter part of 2019, the Company drilled two exploration wells, one of which was abandoned after the absence of hydrocarbons was confirmed. $141,909 of costs associated with the abandoned well incurred in the September 2020 period were reclassified to E&E expense in the September 30, 2020 consolidated statement of (loss) income and comprehensive (loss) income.

	Nine months ended September 30	
	2020	**2019**
CLL cash expenditures ($)	374,597	816,388
Reclassified to exploration and evaluation expense ($)	(141,909)	–
CLL cash expenditures ($)	232,688	816,388

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

	Nine months ended September 30	
	2020	**2019**
TDF drilling and completion ($)	612,352	4,860,758
Corporate assets ($)	6,925	101,193
Cash expenditures ($)	619,277	4,961,951
Right-of-use-assets ($)	–	1,439,525
Decommissioning revisions ($)	–	36,648
Disposition of participating interest ($)	–	(27,228,360)
	619,277	(20,790,236)

During the September 2020 period, the Company incurred $612,352 of expenditures in the TDF area primarily related to the workover of the SM x-1001 well and facilities improvements.

During the September 2019 period, the Company incurred $4,860,758 of expenditures in the TDF area primarily related to the re-fracture stimulations of SM a-1003 and LR x -1001, the installation of facilities at SM a-1002, workovers on four wells and the installation of the San Martin oil pipeline at SM x-1001.

IMPAIRMENT

Indicators of impairment

During late Q1 2020 and early Q2 2020, crude oil benchmark prices decreased substantially due to a drop in global crude oil demand triggered by the impact of the COVID-19 virus on the global economy. In March and April 2020, crude oil prices decreased further due to a breakdown in negotiations between OPEC and non-OPEC partners regarding proposed production cuts. Although crude oil prices have generally continued to improve since April 2020, the significant decline in crude oil prices that occurred in March and April 2020 and the ongoing low commodity price environment and volatility in crude oil prices may continue and could impact the Company's earnings and cash flows.

In addition to these factors, one of the Company's wells had a significant increase in its water cut in January 2020 which resulted in a notable decline in oil production. The full impact of the production decline has yet to be assessed. The Company's independent reservoir engineers did not consider this unexpected production decline in their reserve report nor a subsequent workover and recompletion on the aforementioned well which restored its water-free productivity, as these events were subsequent to December 31, 2019 and the effective date of the reserve report. These factors may recur and could impact the Company's earnings, cash flows and valuation of assets.

Property and equipment

During Q1 2020, the Company identified indicators of impairment, as noted above, in relation to its TDF cash-generating unit ("CGU") and performed an impairment test. Management estimated the recoverable amount of the TDF CGU based on the higher of fair value less costs of disposal and its value in use. The estimated recoverable amount for the TDF CGU was determined to be lower than the March 31, 2020 carrying amount based on the 15% discounted after-tax cash flows expected to be derived from the TDF CGU's proved plus probable reserves from the internally prepared mechanical update of the externally prepared December 31, 2019 reserve report.

During Q3 2020 and the September 2020 period, the Company recognized $nil and $8.25 million, respectively, of impairment in the consolidated statement of (loss) income and comprehensive (loss) income. Impairment of property and equipment may be reversed in future periods if there are indicators of reversal, such as an improvement in commodity price forecasts.

Goodwill

Due to the identification of indicators of impairment in relation to its TDF CGU during Q1 2020, the Company performed an impairment test of goodwill. The recoverable amount of goodwill at March 31, 2020 based on the fair value less costs of disposal using a discounted cash flow method assessed at the CGU level was determined to be lower than the carrying amount of goodwill. The Company's key assumptions used in determining the fair value less costs of disposal include discounted net present value of the estimated future cash flows expected to arise from the continued use of the TDF CGU using a 15% discount rate.

During Q3 2020 and the September 2020 period, the Company recognized $nil and $1.74 million, respectively, of impairment in the consolidated statement of (loss) income and comprehensive (loss) income. Goodwill impairment cannot be reversed in future periods.

LIQUIDITY AND CAPITAL RESOURCES

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

During the September 2020 period, the Company reported a net loss of $10,604,900 and $158,765 of funds flow used by operating activities. As at September 30, 2020, the Company had a $714,010 working capital surplus (December 31, 2019 – $1,831,197 working capital surplus), including $1,795,505 of cash held in bank accounts.

The Company's capital expenditure budget for the last quarter of 2020 is $0.5 million for improvements to facilities in TDF and one well workover on the La Angostura concession. The Company's capital expenditure budget for fiscal 2021 is estimated to be $1.5 million in TDF based on expenditures for ongoing improvements to facilities in TDF. Capital expenditure budgets reflect management's estimate of the minimum amount of capital expenditures necessary to keep the TDF Concessions operating smoothly given the uncertainty of depressed commodity prices, commodity price volatility and the impact the COVID-19 virus will have on the Argentine and global economies. The Company expects to meet these obligations, along with its other anticipated expenses, using cash held in bank accounts, cash flow from operations, new debt and/or equity financings and potential joint venture arrangements. For details of the Company's Q4 2020 and fiscal 2021 capital expenditure program, see the Outlook section of this MD&A.

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

Contingent Consideration Liability and Receivable

As at December 31, 2019, the Company had a $3,652,693 contingent consideration liability representing the estimated fair value of contingent royalty payments associated with the acquisition of St. Patrick in June 2018. Under the terms of the royalty agreement, the Company will make quarterly payments until December 31, 2027 equal to 10% of the amount by which net revenue (oil and gas revenue less provincial royalties) attributable to St. Patrick's former 25.7796% participating interest in the TDF Concessions for the quarter exceeds certain base net revenue thresholds for such quarter. If in any quarter the net revenues attributable to such participating interest do not exceed the base net revenue threshold for that quarter, then no royalty payment will be payable.

During the September 2020 period, the Company made $167,699 of cash royalty payments to the vendor of St. Patrick. As at September 30, 2020, the Company re-measured the fair value of the contingent consideration liability. The forecast net revenues based on the internally prepared mechanical update of the Company's December 31, 2019 externally prepared reserve report do not exceed the base net revenue for future quarters. As a result, the estimated fair value of the contingent consideration liability at September 30, 2020 was $nil resulting in a fair value adjustment of $3,484,994.

As part of the consideration for the disposition of a participating interest in the TDF Concessions pursuant to the ROFR Sale, the purchasers will make future payments to the Company equal to their proportionate share of contingent royalty payments that accrue following closing of the ROFR Sale on April 26, 2019. As at December 31, 2019, the reported amount of the contingent consideration receivable for the purchasers' proportionate share of contingent consideration was $2,367,389.

During the September 2020 period, the Company collected $75,232 of cash royalty payments from the purchasers. As at September 30, 2020, the Company re-measured the fair value of the contingent consideration receivable. The forecast net revenues based on the internally prepared mechanical update of the Company's December 31, 2019 externally prepared reserve report do not exceed the base net revenue for future quarters. As a result, the estimated fair value of the contingent consideration receivable at September 30, 2020 was $nil resulting in a fair value adjustment of $2,222,041. The $70,116 reported current portion of contingent consideration receivable related to the amounts receivable for the second and third quarters of 2019.

Argentina Loans

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

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

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

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

On August 25, 2020, the Company obtained an ARS 50 million ($0.68 million) working capital loan from Banco Hipotecario ("Banco Hipotecario Loan 3") at an interest rate of 24% per annum. 50% of the loan principal and accrued interest is repayable on December 23, 2020 and the remaining loan principal and accrued interest is repayable on February 21, 2021.

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

RELATED PARTY TRANSACTIONS

Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of September 30, 2020, and the date of this MD&A, no revenue has been earned from the CLL Permit.

The TDF UTE (of which the Company is a member) sells a portion of natural gas production to Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, for which the Company recognized $nil oil and gas revenue in Q3 2020 and the September 2020 period (Q3 2019 and the September 2019 period – $nil and $65,272 (ARS 2,654,686), respectively) for its working interest share.

Mr. Pablo Peralta is a director of the Company and is the President and a director of Liminar and controls 30% of the voting shares of Liminar. Liminar owns approximately 59.5% of the Company's outstanding common shares. During Q3 2020 and the September 2020 period, the Company was charged $nil and $40,000, respectively (Q3 2019 and the September 2019 period – $103,839 and $163,839, respectively) by Liminar for legal advisory services pursuant to a services agreement with an effective date of April 1, 2019 which was temporarily suspended on March 1, 2020.

From time to time Liminar, Mr. Peralta and others have guaranteed certain loans obtained by the Company in consideration of a loan guarantee fee. Liminar has provided a guarantee of the Banco Hipotecario Loans for which the Company is charged a loan guarantee fee of 1% of the loan balance per annum. During Q3 2020 and the September 2020 period, Liminar charged the Company $2,141 and $2,725, respectively, in loan guarantee fees. During Q3 2019 and the September 2019 period, the Company recognized a $48,000 recovery of prior year loan guarantee fees due to the absence of loans outstanding on the anniversary date of the first payment. Included in trade and other payables as at September 30, 2020 is $2,725 (December 31, 2019 – $24,200) payable to Liminar.

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

SUBSEQUENT EVENTS

On October 7, 2020, the Company repaid ARS 17.5 million ($0.23 million) of Banco Hipotecario Loan 2 plus ARS 2.8 million ($0.04 million) of accrued interest.

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

SHARE CAPITAL

Issued and outstanding	Common Shares	Stock Options
December 31, 2019, September 30, 2020 and date of MD&A	72,903,038	2,175,000

DIVIDENDS

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

COMMITMENTS

(a) TDF Concessions

As at September 30, 2020, the Company has a 34.73% working interest in the TDF area of Argentina covering approximately 489,000 acres (169,800 net acres) in the Austral Basin and includes the Las Violetas, La Angostura and Rio Cullen exploitation concessions. The term of each concession expires in August 2026. The Company's share of expenditure commitments as at September 30, 2020 with respect to the TDF Concessions are as follows:

Concession	Term of Expenditure Period	Required Expenditure Commitment
Rio Cullen	Until August 2026	$0.62 million, none of which was spent as of September 30, 2020

(b) Cerro De Los Leones Concession

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

The following provides details of the work commitments as at September 30, 2020 required to be completed during the remaining exploration period:

Period	Term of Exploration Period	Required Work Commitment [1]
Period 3	February 23, 2021 [2]	1 exploration well at an estimated cost of $2.5 million

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

[2] Should the Company fail to complete its work commitments within the specified time period, it must surrender the concession exploration lands and will be obligated to make a payment equal to the value of the Company's outstanding Period 3 work commitments.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair values of cash, trade and other receivables and trade and other payables are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At September 30, 2020 and December 31, 2019, the fair value of these balances approximated their carrying amount due to their short term to maturity. The fair values of bank debt are based on the discounted present value of future cash flows and approximate carrying amounts and the fair 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.

SELECTED CONSOLIDATED QUARTERLY INFORMATION

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

Unaudited Three months ended:	September 30 2020	June 30 2020	March 31 2020	December 31 2019	September 30 2019	June 30 2019	March 31 2019	December 31 2018
Working capital ($)	714,010	1,525,635	1,692,977	1,831,197	16,099,824	18,120,190	642,453	(1,562,992)
Oil and natural gas sales revenue ($)	2,435,673	949,305	4,320,239	5,840,383	9,595,656	13,749,812	12,012,185	19,406,279
Net income (loss) ($)	(1,276,965)	(651,385)	(8,676,550)	1,896,669	(319,888)	(3,187,847)	2,978,175	2,567,130
Basic and diluted net income (loss) per share (1) ($)	(0.02)	(0.01)	(0.12)	0.03	(0.00)	(0.04)	0.04	0.04
Net cash from (used by) operating activities ($)	26,128	(506,003)	(478,934)	(246,995)	3,752,375	3,629,514	6,050,373	7,713,567
Cash ROFR Sale proceeds ($)	–	–	–	–	–	17,536,795	–	–
Expenditures on property and equipment and E&E assets ($)	100,907	110,154	782,813	2,809,976	1,809,292	2,024,277	1,944,770	171,576
Total assets ($)	36,976,713	38,136,707	41,099,119	55,638,052	71,480,288	77,223,200	83,390,910	85,128,625
Bank debt ($)	1,672,870	1,209,840	681,732	–	–	–	–	1,700,000

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

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

- Working capital decreased in Q3 2020 mainly due to the increase in bank debt and other current liabilities.
- The reported net loss increased in Q3 2020 mainly due to an increase in depletion and depreciation expense related to higher sales volumes.
- Working capital decreased in Q2 2020 mainly due to the increase in bank debt and the significant decline in oil and natural gas sales revenue.
- The reported net loss decreased in Q2 2020 due to impairment recognized in Q1 2020 offset by significantly lower oil and natural gas sales revenue and related operating costs.
- Working capital decreased in Q1 2020 mainly due to a reduction in the current portion of the net contingent consideration liability offset by bank debt.
- The Company incurred a net loss in Q1 2020 compared to net income in Q4 2019 due to lower oil and natural gas sales revenue and $10 million of impairment related to the TFD CGU and goodwill.
- Working capital decreased in Q4 2019 mainly due to the return of capital payment made to shareholders in December 2019.
- The Company reported net income for Q4 2019 mainly due to a reduction in current tax expense and a recovery of deferred taxes which offset the impact of lower oil and natural gas sales revenue.
- Net loss in Q3 2019 is lower than Q2 2019 mainly due to the loss on disposition of a participating interest in the TDF Concessions recognized in Q2 2019.
- Working capital decreased in Q3 2019 mainly due to the payment of dividends.
- The Company reported a net loss in Q2 2019 mainly due to the loss on the disposition of a participating interest in the TDF Concessions and an increase in tax expense related to the taxation of the ROFR Sale by Argentine tax authorities.
- Working capital improved significantly in Q2 2019 due mainly to the ROFR Sale and funds flow from

operating activities.

- Net income in Q1 2019 is comparable to Q4 2018 and is mainly due to results from operating activities, a decrease in finance expenses and recognition of a deferred tax recovery.
- Working capital improved in Q1 2019 due to funds flow from operating activities, the repayment of the loan outstanding as of December 2018 and the decrease in accounts payable.

BUSINESS RISKS AND UNCERTAINTIES

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

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

agreements and arrangements and to carry out operations in a safe, efficient and effective manner;
- the risks of disputes with third party operators and joint venture partners and the effect that such disputes can have on the Company's operations and results;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom and the risk that the value of such reserves may be impaired in future periods, whether due to a change in well performance such as a well beginning to produce a significant amount of water after the effective date of the estimate, a material decline in commodity prices after the effective date of the estimate, or other developments;
- fluctuations in the price of oil and natural gas, interest rates and exchange rates;
- the risk that the Company will not be able to reduce its operating costs and thereby improve the return on its investments;
- lack of diversification of the Company’s oil and gas interests;
- the impact of work disruption and labour unrest on the Company’s operations;
- actions taken by governmental authorities, including increases in taxes, the introduction of new taxes and changes in government regulations and incentive programs;
- geological, technical, drilling and processing problems;
- risks inherent in marketing operations, including credit risk;
- the ability to enter into, renew and/or extend leases and/or concessions;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures including delays arising as a result of the Company’s inability to obtain the necessary oilfield services required, including drilling and fracture stimulation equipment and related personnel, delays arising as a result of the Company's inability to obtain the necessary governmental approvals, including regulatory approvals relating to the protection of the environment, and delays arising as a result of a decline in commodity prices arising as a result of reduced demand for commodities and/or other factors;
- the insufficiency of cash flow to fund operations;
- uncertainty of finding reserves and developing and marketing those reserves;
- unanticipated operating events, which could reduce production or cause production to be shut in or delayed;
- the ability of management to identify and complete potential acquisitions;
- if completed, the failure to realize the anticipated benefits of acquisitions;
- incorrect assessments of the value of acquisitions;
- shut-ins of connected wells resulting from extreme weather conditions;
- insufficient storage or transportation or processing capacity for the Company’s production, or the need to halt or restrict production while such facilities receive maintenance or repairs or while international borders are closed;
- hazards such as fire, explosion, blowouts, cratering and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- the failure to satisfy work commitments by the applicable deadline and the resulting loss of exploration and exploitation rights and, in the case of CLL, the resulting obligation to pay the value of such unsatisfied work commitments to the provincial government;
- the enforcement of civil liability in Argentina;
- risks associated with conflicting interests with partners;
- income tax reassessments and other taxes payable by the Company;
- the ability to add production and reserves through development and exploration activities;
- governmental regulation of the oil and gas industry, including the possibility that governments, government policies or laws, including laws and regulations related to the environment, may change in a manner that is adverse to the Company, or that governmental approvals may be delayed or withheld;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- risks associated with having a control person owning approximately 59.5% of the Company's shares and having two representatives on the board of directors, including the potential that the control

person may exert a significant amount of influence over the Company's affairs and that the liquidity of the Company's common shares may decline;

- risks associated with having two shareholders who control approximately 74.7% of the Company's shares, including that the liquidity of the Company's common shares may decline;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel; and
- the availability of capital on acceptable terms to fund the Company's capital programs and acquisitions, including the ability of the Company to obtain new credit facilities, renegotiate the terms of its existing credit facilities and/or repay the principal and interest owing under its existing credit facilities.

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

LEGAL, ENVIRONMENTAL, REMEDIATION AND OTHER CONTINGENT MATTERS

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

NON-IFRS MEASURES

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

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

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

	Three months ended September 30		Nine months ended September 30	
	2020	**2019**	**2020**	**2019**
Net cash (used by) from operating activities ($)	26,128	3,752,375	(958,809)	13,432,262
Changes in non-cash working capital ($)	(556,546)	(1,345,799)	800,044	(4,932,617)
Funds flow (used by) from operating activities ($)	(530,418)	2,406,576	(158,765)	8,499,645
Weighted average number of shares	72,903,038	72,903,038	72,903,038	72,903,038
Funds flow per share – operating activities ($)	(0.01)	0.03	(0.00)	0.12

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

ABBREVIATIONS AND BOE PRESENTATION

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

3-D	-	three dimensional
API	-	American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale
bbl	-	barrel
bbls	-	barrels
BOE	-	barrels of oil equivalent
km	-	kilometres
km^2	-	square kilometres
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
YPF	-	Yacimientos Petrolíferos Fiscales S.A.

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

ADVISORIES

Forward-Looking Information

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

This MD&A contains forward-looking information concerning, among other things, the following: under "Corporate Overview and Strategy", all elements of the Company's business strategy and focus in the TDF Concessions and CLL Permit, future operations to be conducted by the Company in furtherance of such business strategy and focus, and the Company's expectations of the benefits to be derived from such business strategy and focus and related future operations; under "COVID-19", the anticipated impacts of

COVID-19 and the current economic climate on the Company going forward; under "Operational Update", the Company's plans for future operations on its TDF Concessions and CLL Permit; under "Outlook – Capital Spending", our estimated capital expenditure budget for Q4 2020 and fiscal 2021, the capital expenditures that we intend to make in our TDF Concessions, and our expectations for how we will fund our capital expenditures and other expenses during such periods; under "Outlook – Argentina – COVID-19 and Economic Summary", the various ways in which COVID-19 might disrupt the Company and the impact such disruptions might have on the Company; under "Impairment – Indicators of impairment", the possibility that the significant decline in crude oil prices that occurred in March and April 2020 and the ongoing low commodity price environment and volatility in crude oil prices may continue and could impact the Company's earnings and cash flows, and the possibility that the SM x-1001 well could again experience high water cuts and a decline in oil production which could impact the Company's earnings, cash flows and valuation of assets; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks, our capital expenditure budget for Q4 2020 and fiscal 2021 and the expenditures we expect to make in each period, our expectation that our Q4 2020 and fiscal 2021 capital expenditure budgets will be sufficient to keep the TDF Concessions operating smoothly, and our expectations for how we will fund our capital expenditure program and other expenses during these periods; under "Liquidity and Capital Resources – Contingent Consideration Liability and Receivable", our estimates of the fair value of the contingent consideration liability and contingent consideration receivable at September 30, 2020; and under "Business Risks and Uncertainties", the business risks and uncertainties that we face and the potential impact such risks may have on the Company. In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future. Actual results achieved during the forecast period will vary from the information provided in this MD&A as a result of numerous known and unknown risks and uncertainties and other factors.

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

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things: the impact (and the duration thereof) that the COVID-19 (coronavirus) pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas, and (iv) the ability of our customers, joint venture partners and other contractual counterparties to comply with their contractual obligations to us; the ability and willingness of OPEC+ nations, Russia and other major producers of crude oil to reduce crude oil production and thereby impact global crude oil prices; the impact of inflation rates in Argentina and the devaluation of the ARS against the USD on the Company; the amount of royalties that the Company will have to pay to the vendor of St. Patrick under the royalty agreement entered into in connection with the acquisition of St. Patrick and the ability of the Company to recover a portion of such royalties from its joint venture partners; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs and government price controls thereon); the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company's capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the continued suspension of the Company's quarterly dividend for the foreseeable future; the ability of the Company to obtain financing on acceptable terms when and if needed; the ability of the Company to service its debt repayments when required; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this

MD&A in order to provide investors with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

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

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

ADDITIONAL INFORMATION

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